



2023

UNIVERSITY OF THE FREE STATE ANNUAL REPORT

TO THE MINISTER OF HIGHER EDUCATION,
SCIENCE, AND INNOVATION

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*Inspiring excellence, transforming lives
through quality, impact, and care.*

VISION **130**
*Renew and Reimagine
for 2034*



UNIVERSITY OF THE
FREE STATE
UNIVERSITEIT VAN DIE
VRYSTAAT
YUNIVESITHI YA
FREISTATA



UFS ANNUAL REPORT

TO THE MINISTER OF HIGHER EDUCATION,
SCIENCE, AND INNOVATION

2023



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Mr David Noko, Chairperson: UFS Council

1. PREFACE

1.1. Report from the Council Chair

The year 2023 was a landmark year for the University of the Free State (UFS), as it saw the introduction of *Vision 130* – a 12-year strategy leading up to our 130th year of existence, which will be celebrated in 2034. *Vision 130* commits

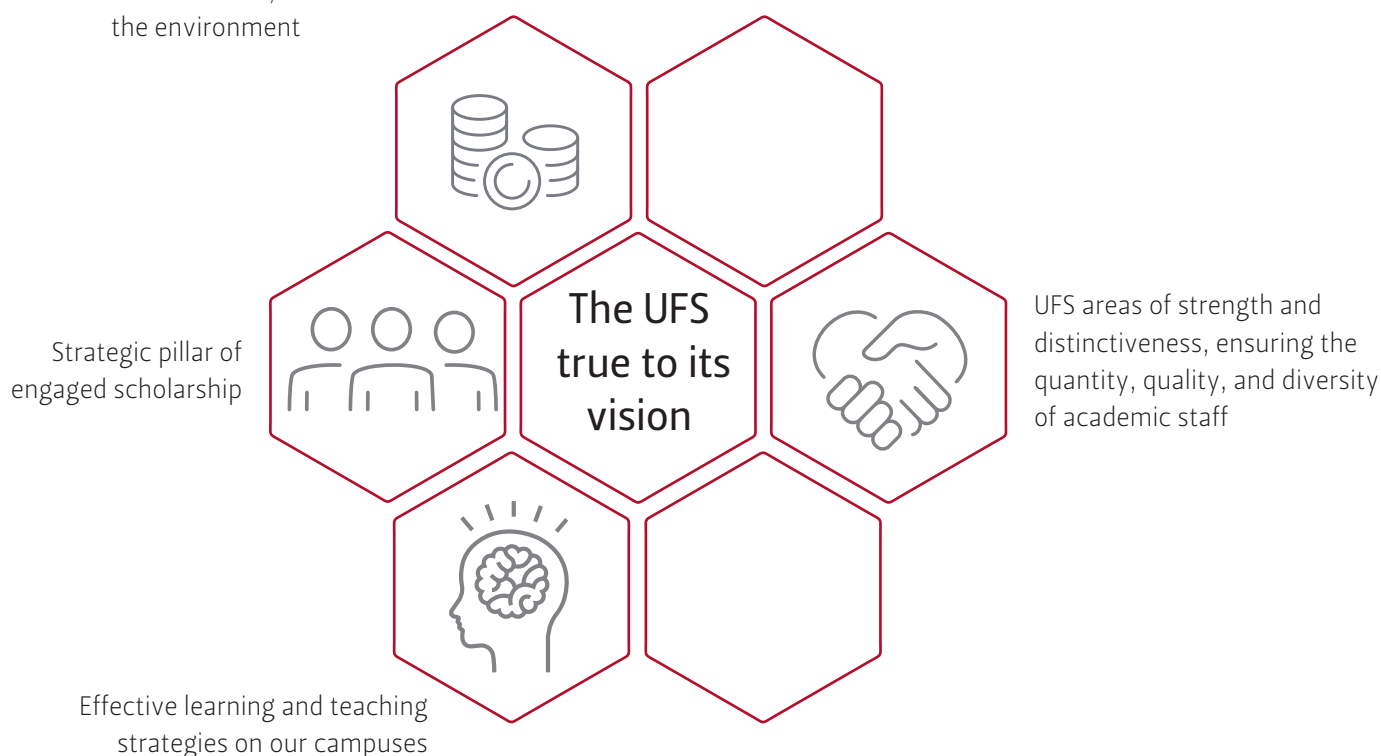
the university to strengthen its reputation among its peers and society as a research-led university of excellence. It states that the UFS' ultimate intention is to be acknowledged as a university that impactfully supports societal development, thus aspiring for maximum societal impact, while ensuring a continued emphasis on a broader institutional transformation agenda. This commitment to societal impact requires a purpose-driven focus on relevant and cutting-edge research as well as the preparation of globally competitive graduates, and 2023 was dedicated to a large extent to getting systems, strategies, and processes in place to achieve these goals.

The launch of *Vision 130*, adopted by the UFS Council in September 2022, came at a particularly challenging time for higher education in our country. The operational challenges currently faced by universities include an increased and continuing demand for access for all academically deserving students, irrespective of their financial strength, and limited alternative options for young school leavers. This is magnified by poor student throughput and completion rates nationally. Higher education institutions are facing increasing financial pressure due to the failure of public funding levels for universities and students to match inflationary cost increases and growing student numbers. These dynamics, together with continued inefficiencies and changes in the National Student Financial Aid Scheme (NSFAS) funding model and delivery, have created numerous and complex institutional disruptions and challenges.

In terms of *Learning and Teaching*, in 2023 the UFS took a deliberate step to further increase its focus on transforming learning and teaching through a greater emphasis on digitalisation of systems and processes, including investment in digital infrastructure to support blended learning and teaching. This is to ensure the substantial transformation and realignment necessary to accommodate the changing realities and needs of a high-performance 21st-Century African university that is globally, nationally, and continentally relevant. Collaboration with industry, as well as various public and private sector partners, remained a key focus area this year. This is enabling the UFS to align better with the needs

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Enter the economy, shape society, become good citizens, future leaders, and stewards of the environment



of employers and the job market in producing graduates with desirable attributes, skills, and knowledge that will enable them to stand out, enter the economy, shape society, become good citizens, future leaders, and stewards of the environment. The teaching and learning environment in 2023 also saw more than 30 projects approved to support various structures and student levels in adapting technology to promote a better post-pandemic learning experience at the UFS.

The year 2023 also saw an updated UFS *Research Strategy* aligned with *Vision 130* and its associated objectives and key performance indicators. Research aims include focusing resource allocation for research and innovation on UFS areas of strength and distinctiveness; ensuring the quantity, quality,

and diversity of academic staff with renowned global reputation; ensuring that UFS academic offerings and practices produce desirable and successful graduates; and increasing emphasis on research that advances societal and knowledge impact. These objectives were informed by the previous institutional strategy, namely the Integrated Transformation Plan (ITP), which embodied the commitment of the UFS to radically accelerate transformation at the university. In 2023, the focus was on increasing emphasis on research that advances societal and knowledge impact, and ensuring the quantity, quality, and diversity of academic staff with renowned global reputation. The revision of the research agenda specifically focused on the alignment of the overarching research themes of the UFS with the National Development Plan, the United Nations

Sustainable Development Goals, and the African Union Agenda 2063 in order to ensure high-impact research with relevance to the local, continental, and global knowledge enterprise as well as to the broader community. Emphasis was placed on the establishment of interdisciplinary and/or transdisciplinary research clusters that increase the impact of the research.

When it comes to *Engaged Scholarship*, the UFS recognised the importance of engagement and involvement of identified stakeholders in ensuring that their voices were incorporated into the research process and output. In 2023, the university continued to place a strong emphasis on interdisciplinarity, encouraging and supporting scholars from different disciplines and communities to work together in a spirit of cooperation and integration. In the process, knowledge was mobilised for the benefit of communities and society. The UFS' engaged scholarship strategy promotes social change and provides a framework to support and promote scholarship within the relevant academic disciplines and their aligned communities.

In terms of governance, the UFS Council met four times during 2023 under my chairpersonship. Activities included strategy, planning, risk, and resource allocation; statutory reporting; policy, remit approvals and amendments; Council administrative governance; human resource-related matters and appointments; institutional transformation and change; academic governance; as well as institutional performance, monitoring, and evaluation. Participation and attendance by another important governing body, the Institutional Forum, improved significantly during 2023, as this body's visibility – through its reporting and advisory function to Council – increased in terms of gravitas and impact.

A key focus area remained achieving higher student participation in governance structures. Encouraging progress was made in the year under review, as in 2023 the Student Representative Council (SRC) elections at the UFS saw the highest voter turnout in the history of the university, indicating a high level of student engagement in the democratic processes of student governance. The increased voter turnout reflected a growing sense of investment and responsibility within the student community, proving that students have recognised the impact of their voices and votes in shaping their university experience. There has also been a surge in the number of registered student associations and organisations, reflecting a diverse and vibrant UFS student body. In this way, opportunities are created for students to connect, collaborate, and engage on campus.

It was once again a wonderful privilege to steer the UFS Council at this inspiring institution. My sincere thanks to my fellow Council members, as well as an extremely competent and amicable management team ably led by the Vice-Chancellor and Principal, Prof Francis Petersen, for making this another successful year.



Mr David Noko
Chairperson: UFS Council



Prof Francis Petersen, Vice-Chancellor and Principal , UFS

1.2 Report from the Vice-Chancellor

REPORT FROM THE VICE-CHANCELLOR AND PRINCIPAL

The year 2023 was marked by many changes in and around the University of the Free State (UFS). On a global and institutional level, the year 2023 was marked by an equal measure of challenge and opportunity. In a geopolitical context, our world exemplified the pinnacle of global interconnectedness. Yet, at the same time, it was more divided and fragmented than ever before. In various places,

inequality and injustice have reached critical levels, posing a serious obstacle to sustainable development. Wars in Europe and the Middle East, coupled with tensions between two of the world's largest economies (USA and China) have resulted in market and supply chain dislocations, with many economies facing increased recession in 2023. As a result of global interconnectedness, the financial implications have inevitably also trickled down to our institution here in the heartland of South Africa. This implied an increased need for financial prudence on the one hand, but also innovative strategies and out-of-the-box thinking in order to find solutions to the increased funding challenges faced by the higher education sector globally.

On a national level, South African higher education faced its own set of financial challenges in 2023, varying from funding cuts to the National Student Financial Aid Scheme (NSFAS), as well as the subsidy (block grant), foundation and earmarked grants, research grants through the National Research Foundation (NRF), and grants for expensive equipment. These challenges tested our resilience and inspired innovative thinking, as it provided us with opportunities to think differently, and promoted an effective approach to integrating resourcing.

Against this background, 2023 was the first year of the implementation of the UFS' *Vision 130* strategy – a bold, ambitious compass that will lead us to 2034 when our institution will celebrate its 130th anniversary. Built on the values of excellence, innovation and impact, accountability, care, social justice and sustainability, *Vision 130* embodies our aspiration to continue to grow and extend our influence and

impact locally, regionally, and globally. It reflects our ambition to be a university with a consistent outward focus, and to be profound in what we deliver – building on past achievements, while constantly transforming ourselves in order to stay relevant within the dynamic and ever-changing international higher education sphere.

A task team under my leadership was established in 2023, which focused on the recalibration of the UFS budget to realise the objectives of *Vision 130*. Going

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2023

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forward, all the actions recommended by this task team will be engaged and discussed at appropriate levels within the university to provide certainty on the manner in which recommendations will be implemented. Although there is an ever-pressing need for prudent resource management, the University of the Free State remains financially sustainable, as reflected in its 2023 financial reportage.

During 2023, undergraduate student success and overall student employability remained key focus areas, as these areas were reset and stabilised in the post-COVID pandemic scenario. It was a year marked by increased and meaningful collaboration with various high-profile stakeholders, such as the Kresge Foundation and

the Michael & Susan Dell Foundation. The continued engagement as well as financial and advisory support these collaboration partners presented, has allowed us to consistently improve student success, student development, and student employability. It has also provided a meaningful platform for the scaling of various successful programmes and initiatives. Industry and private sector involvement has remained a strong force in our Academic Project throughout the year, through our range of academic advisory boards across our various faculties, as well as through the invaluable work done by the Department of Career Services, which has gone from strength to strength in 2023. Our commitment to collaboration and co-creation was reflected in several strategic alliances and joint

ventures with universities (local and abroad), the private sector, industry and commerce, foundations, and government. Among these was the very successful project between the UFS and the South African National Biodiversity Institute (SANBI) led by SARChI Chairholder Prof Carlien Pohl-Albertyn; a multi-million rand grant from the Bristol Myers Squibb Foundation to develop and implement palliative care services in the Free State, led by Prof Alicia Sherriff and Dr Dalene van Jaarsveld; and a R35 million contribution from government to strengthen the Indigenous Knowledge Hub under Prof Gilbert Matsabisa.

At postgraduate level, our 2023 results showed a flat growth in postgraduate numbers, with an overall improvement in the other indicators of research output. Although we have seen an increase in multi- and transdisciplinary projects across most of the faculties, more needs to be done to incentivise this area of our research enterprise. We have committed ourselves to strengthening support to the research and postgraduate environment.

With the visibility and impact of our institution a constant consideration, continued emphasis this year was placed on developing platforms and spaces for robust engagement, debate, critical thinking, and exposure to diverse views for and among our students. Platforms such as the Global Citizen, the UFS Thought-Leader Series, and the numerous public lectures (including the Vice-Chancellor's Annual Prestige Lecture) have been effective ways to stimulate intellectual vibrancy, especially among our students, and to assist in strengthening the pathway from undergraduate to postgraduate studies.

Among the goals reflected in our *Vision 130* strategy is to increase the number of staff members with PhDs. This forms the basis of building supervisory capacity, strengthening our research niche areas, attracting and retaining exceptional and productive scholars, postdoctoral fellows, and postgraduate students. Our continued and expanding staff development initiatives in 2023 brought us closer to achieving this goal.

In line with our Digitalisation Strategy, we have seen digital transformation, digitalisation, and the use of artificial intelligence become a greater part of our institutional DNA in 2023. Our aim is to lower operational costs, increase efficiencies, mitigate risks, and streamline decision-making processes. Our fully capacitated Department of Information, Communication and Technology Services, which forms the backbone of the UFS digital infrastructure, has enabled us to have a quality, forward-looking Academic Project.

Each year brings us closer to 2034 – and to reaching our committed deliverables and articulated goals. We remain confident that the University of the Free State possesses the necessary ambition and human capital to reach our envisioned destination.



Prof Francis Petersen
Vice-Chancellor and Principal, UFS

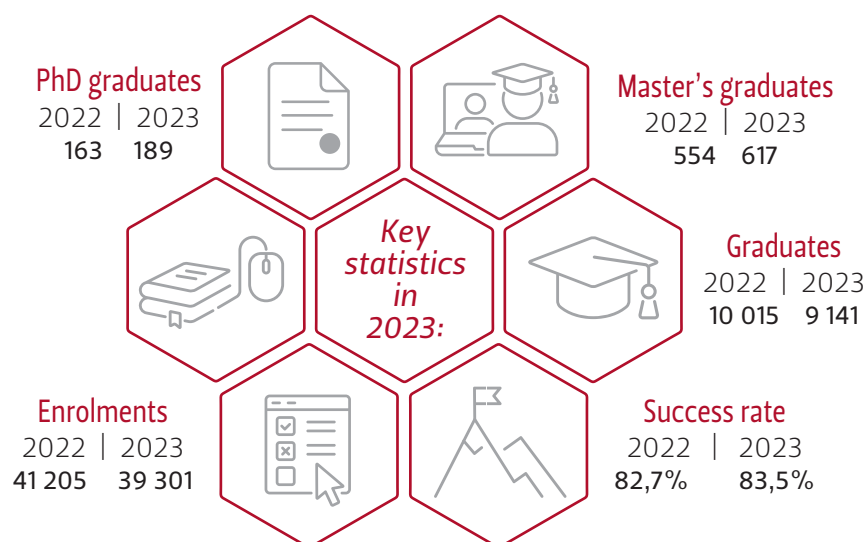


Table 1: Key performance indicators in 2023

Red	The UFS did not achieve the target, either above or below the set target. This category poses a material risk to the institution.
Orange	The UFS has partially achieved the target, either above or below the set target, usually due to factors not within the full control of the university. The target is realised through a number of interrelated processes and does not pose a material risk to the university.
Green	The UFS has achieved or exceeded the target. This category poses no material risk to the institution.

Explanatory footnotes clarify how each key performance indicator is calculated.

Goal	Objective	Key Performance Indicator	Baseline	2023 target	% of 2023 target achieved	Comment
1. To improve our academic excellence, reputation, and impact.	1.1 Placing increased emphasis on research that advances societal and knowledge impact	1.1.1 Share of total income from all sources that is directed to research ¹	New indicator	Base TBC	N/A	Baseline set and approved in 2023
		1.1.2 Three-year citation rate in selected SDGs ²	13,3	15	17	Overachieved
		1.1.3 UFS research reputation among published academics worldwide ³	TBC THE Datapoints		N/A	Baseline set and approved in 2023

- 1 Measured through an interpretation of the share of the total income from all sources that is directed to research-related strategies, processes, activities, and projects.
- 2 Measured through SCOPUS, in SDGs 2: Zero Hunger, 3: Good Health and Well-being, 6: Clean Water and Sanitation, 7: Affordable and Clean Energy, 13: Climate Action, 15: Life on Land, and 16: Peace, Justice and Strong Institutions.
- 3 Measured through Times Higher Education World University Rankings. Licence/subscription would be required.

Goal	Objective	Key Performance Indicator	Baseline	2023 target	% of 2023 target achieved	Comment
	1.2 Ensuring the quantity, quality, and diversity of academic staff with renowned global reputation	1.2.1 International research leaders as a share of permanent academic staff ⁴	2,6%	4%	4,50%	Overachieved
		1.2.2 Number of academic staff who have authored an accredited publication output as a share of permanent academic staff ⁵	45%	48%	55%	Overachieved
		1.2.3 Co-publication: Scholarly output with international collaborators as a share of total scholarly output ⁶	44,3%	45,5%	47%	Overachieved
	1.3 Ensuring that our academic offerings and practices produce desirable and successful graduates	1.3.1 External stakeholder perceptions of the desirability of UFS graduates ⁷	New indicator	Base TBC	N/A	Baseline set and approved in 2023
		1.3.2 Postgraduate enrolments as a share of total enrolments	15%	16%	15,98%	On target
2. To promote an environment of agility, flexibility, and responsiveness based on trust and accountability.	2.1 Ensuring that the policies, systems, processes, and practices are appropriate, effective, and efficient	2.1.1 Staff experience of the effectiveness of policies, systems, processes, and practices, disaggregated by length of tenure ⁸	New indicator	Base TBC	N/A	Baseline set and approved in 2023
	2.2 Ensuring appropriate academic structures as well as management and leadership capacity	2.2.1 Share of academic department heads who are associate or full professors	51%	55%	59,04%	Overachieved
		2.2.2 Share of academic departments with less than 10 permanent academic staff members ⁹	57%	57%	65%	Underperformed
	2.3 Leveraging the use of digital technologies, business intelligence, and analytics to enable evidence-based decision making	2.3.1 Share of UFS management staff who access business intelligence platforms ¹⁰	21%	29%	24,43%	Underperformed

4 International research leaders are leading international and internationally acclaimed researchers and prestigious awardees, i.e. those rated A, B and P by the National Research Foundation (NRF).

5 Measured through the UFS Research Information Management System (RIMS), calculated based on all types of DHET-accredited publication outputs, irrespective of the number of output units generated by the author.

6 Measured by SCOPUS.

7 Measured through a UFS Brand and Reputation Survey, to be implemented from March 2023. The instrument will include questions specific to the desirability of UFS graduates.

8 Measured through a Staff Experience Survey, to be implemented in March 2023. The instrument will use questions related to at least 10 processes or policies that are critical to give expression to Vision 130.

9 Academic departments are defined as departments located within academic faculties and that employ permanent academic staff, excluding deans' offices and the schools of Biomedical Sciences, Clinical Medicine, Pathology and Education Admin, and Support School Health and Rehabilitation Sciences.

10 Measured as the share of staff members in management appointments who sign in to PowerHEDA dashboards. Management appointments include staff appointed in junior, middle, senior and top management job categories, as well as those appointed as academic management

Goal	Objective	Key Performance Indicator	Baseline	2023 target	% of 2023 target achieved	Comment
3. To advance a transformational institutional culture that demonstrates the values of the UFS.	3.1 Creating a vibrant space for, and acceptance of, constructive and critical engagement	3.1.1 Staff experience of engagement, disaggregated by length of tenure ¹¹	New indicator	Base TBC	N/A	Baseline set and approved in 2023
		3.1.2 Undergraduate student experience of advanced student-lecturer engagement ¹²	20%	23%	25%	Overachieved
	3.2 Becoming an institution of choice for exceptional students, academics, and support staff	3.2.1 External and internal stakeholder perceptions of the UFS reputation as an institution of choice ¹³	New indicator	Base TBC	N/A	Baseline set and approved in 2023
		3.2.2 Share of first-time entering undergraduate students with admission point score (APS) of 35 and above	17%	19%	22,14%	Overachieved
		3.2.3 Share of transfer master's and doctoral enrolments who transferred from top South African universities	7,9%	8,6%	12,33%	Overachieved
	3.3 Becoming a home for staff and students from diverse backgrounds	3.3.1 Student satisfaction with being on campus ¹⁴	50%	55%	57%	Overachieved
		3.3.2 Share of new academic staff members leaving the UFS within the first three years of appointment ¹⁵	18,42%	18,42%	10,63%	Overachieved
	3.4 Improving the equity profile of academic leadership	3.4.1 Share of professoriate who are female	32%	34%	36,60%	Overachieved
		3.4.2 Share of professoriate who are black ¹⁶	21%	25%	25,77%	Overachieved

(as per PeopleSoft records).

- 11 Measured through a Staff Experience Survey, to be implemented March 2023. The instrument will use questions related to staff engagement in the scholarly environment of the UFS.
- 12 Measured through the South African Survey of Student Engagement (SASSE), as share of undergraduate students who report advanced forms of interaction with lecturers.
- 13 Measured through a UFS Brand and Reputation Survey, to be implemented from March 2023. The instrument will include specific questions on whether or not stakeholders believe the UFS to be an institution of choice.
- 14 Measured through a Student Experience Survey, to be implemented March 2023. The instrument will use questions related to student satisfaction on feeling safe, feeling at home, student-staff relations, race relations, and gender relations on campus.
- 15 Measured through cohort analyses to determine the share of newly appointed permanent instruction/research staff, excluding contract appointments, who left the UFS during year n (terminated employment in year n) and were employed at the UFS for the first time during year n-2 (active employee in year n-2). This indicator will be reviewed in 2023 to analyse the impact of interventions in 2023.
- 16 'Black' includes African, coloured, and Indian staff members, irrespective of nationality.

Goal	Objective	Key Performance Indicator	Baseline	2023 target	% of 2023 target achieved	Comment
4. To promote stewardship and the prioritisation of institutional resources for strategic intent.	4.1 Ensuring the efficiency of the non-academic support structures and systems	4.1.1 Staff experience of efficiency of administrative support structures and systems, disaggregated by length of tenure ¹⁷	New indicator	Base TBC	N/A	Baseline set and approved in 2023
		4.1.2 Share of key administrative processes that have been digitalised ¹⁸	New indicator	Base TBC	N/A	Baseline set and approved in 2023
	4.2 Ensuring the principles of investment to enable academic excellence with particular emphasis on research and postgraduate activity	4.2.1 Postgraduate student satisfaction with services and support provided by the UFS, as well as student accommodation ¹⁹	New indicator	Base TBC	N/A	Baseline set and approved in 2023
	4.3 Increasing our research and innovation competitiveness	4.3.1 Research income ²⁰ as a share of total income	13%	15%	11.04%	Underachieved
	4.4 Ensuring the efficiency of academic programmes, offerings, and academic support systems	4.4.1 Programme and Qualification Mix (PQM) viability rating ²¹	New indicator	Base TBC	N/A	Baseline set and approved in 2023
		4.4.2 Student satisfaction with academic support services ²²	New indicator	Base TBC	N/A	Baseline set and approved in 2023

17 Measured through a Staff Experience Survey, to be implemented March 2023. The instrument will use questions related to those 10 to 20 operational processes that are critical to give expression to Vision 130.

18 Measured through identifying at least 10 processes that are critical to give expression to Vision 130.

19 Measured through a Student Experience Survey, which will be an amended version of the satisfaction section of the current Graduate Exit Survey, to be implemented March 2023. The instrument will use questions addressing matters specifically related to the postgraduate student experience, and data collection will target the postgraduate (including postdoctoral) student population.

20 Research income is measured as income from grants earmarked for research (e.g. University Capacity Development Grant), research output subsidy, and income from contracts for research (including National Research Foundation funding) and for clinical research contracts.

21 Measured through a Programme and Qualification Mix (PQM) Viability Index (to be implemented March 2023), which considers several factors to assess the academic and financial viability of academic programmes.

22 Measured through a Student Experience Survey, which will be an amended version of the satisfaction section of the current Graduate Exit Survey, to be implemented March 2023. The instrument will use questions related to specific academic support services for students, e.g. central and faculty-based student administration, academic advising, and tutorial services.

2. ABOUT THE UFS





2.1 Strategy

2.1.1 Introduction

The strategic intent and direction of the UFS is contextualised in a world facing many socio-economic, environmental, and political challenges, which assume different complexities in line with different nations, respective geo-locations, and dynamics. These challenges place an increased expectation on universities to fulfil their obligations, roles, and responsibilities as institutions promoting the 'public good', and their concomitant responsiveness to impactfully support societal development and the communities they serve.

In this regard, the UFS will continue producing relevant skills and knowledge, building the economy, solving persistent and emerging social problems, and transforming the post-apartheid society.

Through its robust planning regime, the UFS commits to continuously renew itself, and to grow and extend its influence and impact locally, regionally, and globally. The university's vision and mission and supporting strategic plan provide stability and clarity for decision-making and investment choices, while still leaving scope for adaptation and agility.

2.1.2 Vision 130 and institutional strategy

The UFS Vision 130 asserts that: *The UFS aspires to be a research-led, student-centred, and regionally engaged university that contributes to development and social justice through the production of globally competitive graduates and knowledge.* This reporting period marks the first year of the implementation of the 2023-2028 strategy, aptly themed, *Renewal and Reimagination for Greater Impact*. The successful implementation of the UFS 2023-2028 Strategy will contribute directly towards realising Vision 130.

In September 2022, the University Council adopted Vision 130, which sets out the strategic intent to reposition the institution towards realising specific long-term goals by 2034. Vision 130 commits the university to strengthen its reputation among its peers and society as a research-led university of excellence. It states that the UFS' ultimate intention is to be acknowledged as a university that impactfully supports societal development, thus aspiring for maximum societal impact. This commitment to societal impact requires a purpose-driven focus on relevant and cutting-edge research as well as the preparation of globally competitive graduates. Vision 130 is a 12-year strategy that coincides with the 130th anniversary of the UFS, which will be celebrated in 2034.

To this end, the following four goals are set out in Vision 130:

Goal 1: To improve academic excellence, reputation, and impact.

Goal 2: To promote an environment of agility, flexibility, and responsiveness based on trust and accountability.

Goal 3: To advance a transformational institutional culture that demonstrates the values of the UFS.

Goal 4: To promote stewardship and the prioritisation of institutional resources for strategic intent.

Building a culture of long-term planning is important for the continued relevance and sustainability of the university in line with its vision to become a research-led university – embracing the fact that universities are important institutions for the development of individuals, societies, and economies.

The transition from the Integrated Transformation Plan (ITP) to Vision 130 required bold and courageous strategic choices that were carefully considered. These institutional choices articulated in Vision 130 have been translated into the new Strategic Plan 2023-2028 and a supporting, rolling Annual Performance Plan (APP) 2023-2025. Therefore, 2023 marked the renewal and reimagination of the UFS for greater impact in order to support societal development as a centre for innovation, research, dissemination, and application, locally and globally.

This reporting cycle thus builds on achievements through the ITP, cognisant of those issues and areas that require continuous attention and action following the transition from the ITP – which was concluded in 2022 – to Vision 130 in 2023. The UFS is committed to affecting meaningful and sustainable change and to ensuring the finalisation of its undertakings.

The institutional planning that resulted in developing and approving Vision 130 was also influenced by processes such as the institutional Self-Evaluation Report (SER) that was prepared for the Council on Higher Education (CHE) Audit in early 2022. This process enabled an in-depth ‘As-Is’ picture of the entire institutional functioning, highlighting strengths and weaknesses, as well as gaps. Vision 130 is proactive in addressing the self-identified gaps and shortcomings to ensure a culture of continuous improvement and relevance of all institutional policies, processes, and procedures, as they find expression in the document. Crucially, Vision 130, the 2023-2028 Strategy, and the 2023-2025 rolling APP were all approved through engagement with institutional structures and informed by the Institutional Risk Register. Therefore, various institutional structures engaged with and approved them before the final approval by the University Council. These plans were further cascaded down into planning documents and instruments for the faculties, which were deemed to be realistic and implementable, and supported by a performance management system.

The transition from the Integrated Transformation Plan (ITP) to Vision 130 and the 2023-2025 Strategy also ensures the continued emphasis on a broader institutional transformation agenda. The Strategic Plan of the university is reviewed in line with the integrated planning framework and the APP is adjusted annually in line with progress, strategic investment choices, and operational budget allocations to ensure relevance, quality, and fitness for purpose and intent. Regular reviews ensure that these core institutional processes are applied in an integrated, coherent manner to address emerging challenges and to make changes. This happens during the UFS Annual Lekgotla.

The institution engages in a continuous process of monitoring and evaluation to ensure that its commitments, responsibilities, and associated and emerging risks are addressed proactively and appropriately.

2.1.3 Learning and teaching strategy

In 2023, the UFS took a deliberate step to further increase its focus on transforming learning and teaching through a greater emphasis on digitalisation of systems and processes, including investment in digital infrastructure to support blended learning and teaching. This is to ensure the substantial transformation and realignment required to accommodate the changing realities and needs of a high-performance 21st-Century African university that is globally, nationally, and continentally relevant. In the UFS context – for the period under review – key challenges remain student success and throughput, as well as curriculum responsiveness and relevance, technological innovation, the changes wrought by the COVID-19 pandemic, and issues around inclusion, equity, and social justice. Ensuring sound and transparent academic governance, curriculum administration, and an operational and systems support structure that will facilitate the aforementioned remains paramount.

Given the prevailing higher education environment and context, all universities are faced with the reality and necessity of increased collaboration and strategic alliance/partnership with a variety of stakeholders, including funders, government, the public and private sectors, industry, and fellow institutions to maximise/leverage capacity and resources, and create (among others) productive communities of practice. This enables the UFS to better align with the needs of employers and the job market in producing graduates with desirable attributes, skills, and knowledge that will enable them to stand out, enter the economy, shape society, become good citizens, future leaders, and stewards of the environment.

The UFS has initiated an internal process to develop a learning and teaching strategy aligned with Vision 130 and the new Strategy 2023-2028. This consultative exercise is continuing, and the strategy will be completed and

approved for implementation in 2024. It is important to note that activities implemented in 2023 are already in line with the APP approved for implementation in 2023.

2.1.4 Research strategy

Globally, research is increasingly characterised by mutually beneficial research collaborations. Complex problems faced by societies locally and globally also require multi-, inter-, and transdisciplinary inputs and teams. This necessitates work across academic departments, faculties, and other national and international research groups and entities to produce new knowledge that is globally, continentally, and regionally relevant and applicable, as articulated in Vision 130.

In response to this evolving research context, the UFS' research goal is to increase its contribution to local, regional, and global knowledge, to address fundamental and strategically important developmental questions, and to make an economic, social, and cultural impact at regional, national, continental level and beyond.

The **updated UFS Research Strategy** is aligned with the UFS Vision 130 and its associated objectives and key performance indicators, namely: to focus resource allocation for research and innovation on UFS areas of strength and distinctiveness; to ensure the quantity, quality, and diversity of academic staff with renowned global reputation; to ensure that UFS academic offerings and practices produce desirable and successful graduates; and to increase emphasis on research that advances societal and knowledge impact.

The Research Strategy was informed by the Integrated Transformation Plan (ITP) and signalled the commitment of the UFS to radically accelerate transformation at the university. As stated in the ITP, a transformed university is an institution where a diversity of people feels a sense of common purpose. Such an organisation also responds to the needs of the local community. At the same time, university members participate in global knowledge production in a place that ideally can accommodate competing views and even disagreements.

The Research Strategy also informs research management, and makes provision for cascading action at faculty, department, and institute/centre levels.

Therefore, the Research Strategy aims to accomplish the following:

1. To increase emphasis on research that advances societal and knowledge impact (Objective 1.1).
2. To ensure the quantity, quality, and diversity of academic staff with renowned global reputation (Objective 1.2).

The guiding principles underpinning these strategic aims are the following:

- Responsible stewardship of human, financial, and other resources.
- A focus on relevance, excellence, and impact.
- A culture of continuous reflection and improvement in strategies, actions, and systems.
- A culture of people-centred, flexible, and accurate service delivery.
- Responsiveness to market needs and demands for human resources, expertise, and products.
- Integration, collaboration, and synergy, where appropriate, for better performance.

Given its fundamental contribution to the university's core business and strategic intent (to become a research-led university), its implementation and performance in relation to the goals are monitored and measured for sustained impact relevance. This will be reported on later in this report.

2.1.5 Engaged scholarship strategy

Given the growing emphasis on stakeholder involvement, collaboration, and communities of practice, engaged scholarship has emerged strongly as a means and form of academic enquiry that is able to co-create impactful research and relevant curricula that address real-world problems.

The UFS recognises the importance of engagement and involvement of identified stakeholders in ensuring that their voices are incorporated into the research process and output.

The university places a strong emphasis on interdisciplinarity and encourages and supports scholars from different disciplines and communities to work together in a spirit of cooperation and integration, mobilising their respective knowledge for the benefit of communities and society.

The UFS' engaged scholarship strategy promotes social change and provides a framework to support and promote scholarship within the relevant academic disciplines and their aligned communities. The strategy includes the following components:

Engaged Research, which incorporates reciprocal knowledge practices in the discovery, teaching, integration, application, development, and mobilisation of knowledge for mutual public benefit and academic interests. Engaged research could also include creative output and other expressions or activities. Of essence is that engaged research must be systematic and rigorous. Results need to be disseminated in publications for debate and critiqued by peers. The relevance of engaged research is not limited to developing science based on the latest theories and methods – it also includes the integration of theory and practice, as well as the engagement of partner communities as active contributors to identify relevant goals, research questions, and methodologies. An essential element of engaged research is social impact, and this actively calls for appropriate research methodologies that are action-oriented and participatory. These methodologies can include, but are not limited to, community-based participatory research or community-based research, participatory research or participatory action research, and applied research.

Engaged Teaching and Learning involves the transmission, transformation, and extension of knowledge, including learning with various audiences through either formal or informal arrangements. The focus is primarily on higher education teaching, where students engage in collaborative learning platforms to learn with and from the communities. Thereby, students learn to think about and act on local and global issues of real importance, as well as integrate theory and practice for the development of praxis. In engaged teaching and learning, students are broadly prepared with in-depth knowledge and professional skills and attributes required for the world of work. They also gain a sense of the existing socially, politically, economically, and ecologically complex and dynamic challenges in greater society. Therefore, engaged teaching and learning educates students to live as socially responsible citizens, mobilising multiple forms of knowledge to make the right decisions, use their capacities to contribute to the well-being of society, and serve the broader goal of visibility and impact. To ingrain the principles of engaged scholarship, the university curricula must unify the acquisition of knowledge with concrete actions, so that the teaching model is anchored in real-life situations.

Engaged Citizenship, which includes academic, student, and university citizenship, is an educational platform that prepares and supports staff and students to play a leading role by building sustainable partnerships with other stakeholders, responding to pressing societal challenges by deploying intellectual, human, and other resources for the development of communities.

Through its commitment to embed engaged scholarship, the UFS aspires to become a model of a truly robust and responsive research-led university. This aspiration is assisted by mobilising the university's resources and capacities to make a significant contribution to regional, national, continental, and global developments and aligned agendas.

Engaged scholarship: Goals – To advance a transformational institutional culture that demonstrates the values of the UFS. (KPIs: 3.1.3)

Figure 1: UFS Strategic Plan 2023 to 2025

Vision	The UFS aspires to be a research-led, student-centred, and regionally engaged university that contributes to development and social justice through the production of globally competitive graduates and knowledge.					
Mission	The university's ultimate goal is to be a university that impactfully supports societal development.					
Goals	1: To improve our academic excellence, reputation, and impact	2: To promote an environment of agility, flexibility, and responsiveness based on trust and accountability	3: To advance a transformational institutional culture that demonstrates the values of the UFS	4: To promote stewardship and the prioritisation of institutional resources for strategic intent		
Objectives	<ul style="list-style-type: none"> Placing increased emphasis on research that advances societal and knowledge impact Ensuring the quantity, quality, and diversity of academic staff with renowned global reputation Ensuring that our academic offerings and practices produce desirable and successful graduates 	<ul style="list-style-type: none"> Ensuring that the policies, systems, processes, and practices are appropriate, effective, and efficient Ensuring appropriate academic structures as well as management and leadership capacity Leveraging the use of digital technologies, business intelligence, and analytics to enable evidence-based decision-making 	<ul style="list-style-type: none"> Creating a vibrant space for and acceptance of constructive and critical engagement Becoming an institution of choice for exceptional students, academics, and support staff Becoming a home for staff and students from diverse backgrounds Improving the equity profile of academic leadership 	<ul style="list-style-type: none"> Ensuring the efficiency of the non-academic support structures and systems Ensuring the principles of investment to enable academic excellence, with particular emphasis on research and postgraduate activity Increasing our research and innovation competitiveness Ensuring the efficiency of academic programmes, offerings, and academic support systems 		
Values	Excellence	Innovation and impact	Accountability	Care	Social justice	Sustainability

2.2 Governance

The UFS governance arrangements are compliant with the current system of governance for South African public higher education institutions as constituted in the Higher Education Act No 101 of 1997. In terms of the Higher Education Act, the main institutional governance structures are the Council, the Senate, the Institutional Forum (IF), and the Student Representative Council (SRC).

The governance relationship between Councils and Senates, between Councils and SRCs, and between Councils and Institutional Forums is set out in the Higher Education Act, Act 101 of 1997, as amended. The relevant provisions of the Act set out in which cases Council can only act after having consulted these three structures and in which cases such consultation takes the form of non-binding 'after consultation' or binding 'in consultation'. Councils are required to follow these instructions meticulously as part of good governance practices in their institutions.

Governance and operational challenges currently faced by universities include increased and continuing demand for access for all academically deserving students, irrespective of their financial strength and limited alternative options for young school leavers. This is magnified by poor student throughput and completion rates nationally.

Higher education institutions are facing increasing financial pressures due to the failure of public funding levels for universities and students to match inflationary cost increases and growing student numbers. These dynamics, together with continued inefficiencies and changes in the National Student Financial Aid Scheme (NSFAS) funding model and delivery, have created numerous and complex institutional disruptions and challenges.

All of this is taking place in an environment of increased state steering, monitoring, and evaluation, calling into question long-held notions of academic freedoms and institutional autonomy, as well as discomfort with what is perceived as increasingly bureaucratic managerialism.

The need to drive inclusivity, diversity, and equity in all governance structures, leadership, and policies remains a continuing challenge, which in some instances may be exacerbated by concomitant digital transformation and adaptation to new technologies and modes of learning and teaching. This requires significant investment in digital infrastructure and training, and impacts governance structures, financial decision-making processes, and institutional cultural change.

The UFS governance structures set out below demonstrate a compliant level of responsiveness to improve **institutional efficiency, effectiveness, and accountability**.

2.2.1 Statement of Council on governance

2.2.1.1 Statement on code of ethics

At the UFS, a commitment to the highest ethical and moral standards is embedded in the UFS Code of Conduct for the UFS Council. In this regard, the Council endorsed the principles of ethics and leadership based on an ethical foundation. The Council is also aware of the King IV report released on 1 November 2016, and subscribes to the principle that the Council should lead ethically and effectively. The Council adopted the revised UFS Council Conflicts of Interest Policy (approved on 24 March 2023), the revised Code of Conduct for the UFS Council and Members of the Council (approved on 29 September 2023), and the Disciplinary Procedure for Members of the UFS Council (approved on 19 June 2020) attached hereto as Appendix 1, Appendix 2, and Appendix 3 respectively.

Furthermore, the Council is aware of the King IV report released on 1 November 2016, and subscribes to the principles of transparent and ethical leadership and governance as expressed by Appendices 1–3.

2.2.1.2 Statement on conflict management

Conflict is a natural and inevitable part of university life and operations. This is particularly true in the South African context, which is exceptionally complex and dynamic and is impacted and influenced by a myriad of socio-economic and political forces, many of which reside outside the remit of the university's mandate and influence. In its continued commitment to addressing conflict management, the university participates and actively and deliberately engages in listening and communicating with empathy and openness to divergent points of view.

In 2023, several disruptions occurred on the Qwaqwa Campus. Reasons for discontent and unrest could be ascribed to a variety of NSFAS-related issues, including the application of the N+1 rule, private accommodation, reimbursement of transport costs, and book and food allowances. In addition, registrations, academic appeals, and mandatory vaccinations were also raised as grievances.

While the South Campus was more stable, the Bloemfontein Campus suffered minimal disruption. However, the campus also experienced similar grievances to those expressed around NSFAS issues on the Qwaqwa Campus.

In addressing the grievances and disruptions in an amicable, engaging, and inclusive manner, the UFS approved several concessions through the Financial Working Group. These included, among others:

- NSFAS students awaiting confirmation of funding to be allowed to register
- Increase of outstanding fee registration cap
- Students receiving food and book allowances, with the condition that the next allowance would be allocated when NSFAS transferred the money to the university.

In addition, the Social Support Office assisted with meals and transport during the process of emergency accommodation. The process of appeals was expedited, and outcomes were communicated to students in good time. Throughout the protests and disruptions, the Student Governance Office had numerous engagements with the Institutional Student Representative Council (ISRC), Campus Student Representative Councils (CSRC), student organisations and associations, and students.

2.2.1.3 Statement on cooperative governance

The UFS has two recognised labour unions, namely NEHAWU and UVPERSU. The Collective Agreement between the UFS and UVPERSU (the majority union) was signed on 14 October 2010 and the Recognition Agreement between the UFS and NEHAWU was signed on 1 September 2010. The management of the UFS meets with the labour unions on a regular basis to discuss issues of mutual concern. The Employee Relations Management Forum was also established to enhance the work relationship with the unions. Annual negotiations are also conducted in respect of salary adjustments and conditions of service.

The Support Service Staff Forum and the Head of Academic Departments Forum were established to discuss issues not covered by the collective agreements and to enhance democratic participation in the decision-making processes at the UFS.

The student population is represented by the Institutional Student Representative Council (ISRC), in addition to three Campus Students' Representative Councils (CSRC; one representing each campus of the UFS). In 2023, the Student Representative Council (SRC) elections at the UFS saw the highest voter turnout in the history of the university, indicating a high level of student engagement in the democratic processes of student governance. The voter turnout of 2023 compared to 2022 was as follows: Bloemfontein Campus, 44,30% in 2023 versus 34,99% in 2022; Qwaqwa Campus, 74,49% in 2023 versus 59,87% in 2022; and South Campus, 52,26% in 2023 versus 32,78% in 2022. This achievement speaks to the Department of Student Governance's efforts to encourage and facilitate student participation in campus affairs. The increased voter turnout reflects a growing sense of investment and responsibility within the student community, as students recognise the impact of their voices and votes in shaping their university experience.

There has been a surge in the number of registered student associations and organisations at the University of the Free State. This increase is a testament to the Department of Student Governance's commitment to providing a platform for students to come together and pursue their interests, whether it be academic, cultural, or recreational. The growing number of student associations and organisations reflects the diverse and vibrant student body at the UFS and demonstrates the department's success in creating opportunities for students to connect, collaborate, and engage with one another on campus.

Furthermore, the establishment of a functional Student Parliament on all three campuses of the university was a significant achievement for the Department of Student Governance. The Student Parliament serves as a democratic platform for students to voice their opinions, raise concerns, and contribute to the decision-making processes that affect their academic and social experiences at the UFS. The presence of a Student Parliament on each campus enables students to actively participate in the governance of their university, fostering a sense of ownership and belonging within the student body.

In addition to the aforementioned achievements, there has been a noticeable rise in student participation in various student governance initiatives at the University of the Free State. The Department of Student Governance has actively promoted and facilitated opportunities for students to become involved in decision-making, policy development, and community-building activities on campus. This has resulted in a more engaged and empowered student body, as students take on leadership roles, contribute to campus events and projects, and collaborate with university administration to create a positive and inclusive campus environment.

2.2.2 UFS Council activities

The UFS Council, under the chairpersonship of Mr D Noko, met four times during 2023. The Council fulfilled its fiduciary responsibilities with regard to governance, as provided for in the Higher Education Act (Act 101 of 1997), as amended. The different Committees of Council are specified in the Institutional Rules, among other things. The Council committees include:

- Executive Committee of Council

- Audit, Risk and IT Governance Committee
- Finance Committee
- Remuneration Committee
- Nominations Committee
- Human Resources Committee
- Student Support Services Committee

The Council has three joint committees with the Senate, namely the Honorary Degrees Committee, the Naming Committee, and the Central Information Technology Committee (CITC).

The Council's activities during 2023 included dealing with, among others, the following:

2.2.2.1 Strategy, planning, risk, and resource allocation

- The Council Summit on 23 June 2023 was combined with the June meeting of the Council, the outcomes of which were endorsed.
- A series of management retreats were held in 2023 following the approval of Vision 130 and the Strategic Plan by the UFS Council in November 2022, which resulted in the finalisation of the Key Performance Areas (KPAs) of the Vice-Chancellor. These KPAs or institutional objectives were developed and refined in the context of Vision 130 and the Strategic Plan.
- The UFS Annual Performance Plan (APP) for 2024 was approved.
- The Consolidated Financial Statements for the year ended 31 December 2022 were approved.
- The DHET mid-term review enrolment targets for 2023-2025 were approved.
- The Council approved the increase of honoraria for 2024 with an amount commensurate with the 2024 salary increase for UFS staff members.
- The UFS Institutional Risk Register, aligned with both Vision 130 and the UFS Strategic Plan 2023-2028, was approved.
- The UFS Budget 2024 was approved.
- The UFS Capital Budget 2024 was approved.
- The Human Resources Strategy was approved.

2.2.2.2 Statutory reporting

- The reports of the Committees of Council and structures were appropriately expedited.
- The advice from the Institutional Forum was dealt with and noted.

2.2.2.3 Policy, remit approvals and amendments

- The amended Remit of the Executive Committee of the Council was approved.
- The Council approved the proposed amendments to the Statement of Investment Principles.
- Attention was specifically drawn to the fundamental amendment regarding the introduction of a model on which the investment approach, as well as the role of the Investment Committee's mandate therein, would be based.
- The amended Remit of the Student Support Services Committee of Council was approved.
- The UFS Policy on Preventing and Dealing with Plagiarism was approved.
- The Internationalisation Strategy 2023-2028 was approved.
- The Policy of the UFS on a Smoke- and Vape-Free Workplace was approved on the condition that the definition of 'smoking' be expanded to also refer to the smoking of non-tobacco products.
- The Occupational Health and Safety Policy was approved.
- The HIV and AIDS Policy was approved.
- The proposed Implementation Plan of the UFS Statute was approved.
- The Remit of the Audit, Risk and IT Governance Committee was approved.
- The amended Annual Work Plan for the Executive Committee of the Council was approved.
- The external audit fees were approved.

- The amended Remit of the Finance Committee was approved.
- The amended Remit of the Investment Committee was approved.
- The amended Language Policy and Implementation Plan was approved.

2.2.2.4 Council administrative governance

Annual work plans of committees approved

- The appointment of Council members to several committees was approved.
- The performance of the Rector was discussed by the Executive Committee of Council. This matter was considered by the Council.
- The Reports of the Rector and Vice-Chancellor were considered and dealt with.
- The Council Self-Assessment report was approved for submission to the DHET.

Human resource-related matters and appointments

- Senior appointments were made by the Council, including the Deputy Vice-Chancellor: Academic, the Qwaqwa Campus Principal, and the Senior Director: Finance / Chief Financial Officer.
- The Council approved the upgrading of the position of Director: Communication and Marketing to Senior Director: Communication and Marketing.
- The Council approved the extension of the term appointment of the Senior Director: Research Development for a further term of five years.
- The Council approved the splitting of the position of Deputy Vice-Chancellor: Operations into Chief Operating Officer (COO) and Chief Financial Officer (CFO). Both positions will function at Executive Director level (Peromnes level 3).

Institutional transformation and change

- The continued engagements directed by the Unit for Institutional Change and Social Justice across the institution regarding necessary name changes.

Academic governance

- The reports of the Rector and Vice-Chancellor were considered and dealt with.
- The emphasis on the implementation of the Policy on Short Learning Programme Provisioning at the UFS.

Institutional performance, monitoring, and evaluation

- The 2022 UFS Annual Report for the DHET was approved.
- The Report on the Conflict of Interest was considered.
- The UFS Mid-year Performance Report 2023 was approved for submission to the DHET.
- The 2024 updated UFS Annual Performance Plan 2023-2025 was approved for submission to the DHET.

The amended UFS Statute was published in March 2023 and had implications for membership in Council, as indicated in the two tables.

In conclusion, the Council fulfilled its mandate during 2023, as per the Statute and Institutional Rules.

Table 2: Members of the UFS Council, 2023 (before Statute amendment)

Membership category	Member	Term
Chairperson	Mr D (David) Noko	1/10/2021-30/9/2025
Vice-Chairperson	Ms T (Tirelo) Sibisi	26/11/2021-25/11/2025
Vice-Chancellor and Principal	Prof FW (Francis) Petersen	
Deputy Vice-Chancellor (2)	Dr M (Molapo) Qhobela	1/10/2022-30/9/2023
	Prof V (Vasu) Reddy	1/10/2023-30/9/2024

Membership category	Member	Term
Appointed by the Minister of Higher Education and Training (5)	Ms KV (Vicky) Tlhabanelo	7/9/2020-7/9/2024
	Ms I (Itumeleng) Poee	1/7/2020-30/6/2024
	Prof M (Millard) Arnold	27/7/2022-26/7/2026
	Ms L (Leah) Molatseli	27/7/2022-26/7/2026
	Ms J (Johanna) Mapharisa	27/7/2022-26/7/2026
Appointed by the Premier of the Free State (1)	Mr KF (Kopung) Ralikontsane	15/11/2022-14/11/2026
Elected by Senate (2)	Prof PD (Danie) Vermeulen	1/1/2021-31/12/2024
	Prof P (Philippe) Burger	4/7/2021-3/7/2025
Members of the religious community (1)	Vacant	
Elected by the donors (1)	Mr M (Marius) Rezelman	24/8/2021-23/8/2025
Elected by the Convocation (4)	Dr PD (Pieter) du Toit	1/2/2020-31/1/2024
	Mr HH (Henry) Shimutwikeni	24/11/2020-23/11/2024
	Mr DM (Mandla) Ndlangamandla	15/11/2019-14/11/2023
	Mr ZL (Zama) Sigwebela	15/11/2019-14/11/2023
Elected by the academic staff who are not members of Senate (1)	Dr MC (Claudia) Ntsapi	1/4/2023-28/11/2025
Elected by the non-academic staff (support service employee) (1)	Mr CM (Charlie) Molepo	1/1/2020-31/12/2023
Appointed by the Central Student Representative Council (2)	Mr TL (Tshepang) Bambo	until 30 August 2023
	Mr STI (Sifundo) Masuku	until 30 August 2023
	Mr A (Axola) Toto	from 1 September 2023
	Mr STI (Sifundo) Masuku	from 1 September 2023
Appointed by the South African Local Government Association: Free State (1)	Vacant	
Chairperson of the Institutional Forum (1)	Vacant	
Appointed by Council (8)	Ms T (Tirelo) Sibisi	1/7/2020-30/6/2024
	Mr LL (Louis) von Zeuner	1/7/2020-30/6/2024
	Mr R (Ryland) Fisher	15/3/2019-14/3/2023
	Mr D (David) Noko	14/9/2019-13/9/2023
	Dr SJ (Snowy) Khoza	1/10/2021-30/9/2025
	Dr A (Anchen) Laubscher	1/9/2020-31/8/2024
	Mr D (David) Abbey	23/3/2022-22/3/2026
	Mr D (Dan) Kriek	23/3/2022-22/3/2026

Table 3: Members of the UFS Council, 2023 (after Statute amendment)

Membership category	Member	Term
Chairperson	Mr D (David) Noko	1/10/2021-30/9/2025
Vice-Chairperson	Ms T (Tirelo) Sibisi	26/11/2021-25/11/2025
Vice-Chancellor and Principal	Prof FW (Francis) Petersen	
Deputy Vice-Chancellor (2)	Dr M (Molapo) Qhobela	1/10/2022-30/9/2023
	Prof V (Vasu) Reddy	1/10/2023-30/9/2024
Appointed by the Minister of Higher Education and Training (5)	Ms KV (Vicky) Tlhabanelo	7/9/2020-7/9/2024
	Ms I (Itumeleng) Poee	1/7/2020-30/6/2024
	Prof M (Millard) Arnold	27/7/2022-26/7/2026
	Ms L (Leah) Molatseli	27/7/2022-26/7/2026
	Ms J (Johanna) Mapharisa	27/7/2022-26/7/2026
Appointed by the Premier of the Free State (1)	Mr KF (Kopung) Ralikontsane	15/11/2022-14/11/2026
Elected by the Senate (2)	Prof PD (Danie) Vermeulen	1/1/2021-31/12/2024
	Prof P (Philippe) Burger	4/7/2021-3/7/2025
Elected by the donors (1)	Mr M (Marius) Rezelman	24/8/2021-23/8/2025
Elected by the Convocation (2)	Dr PD (Pieter) du Toit	1/2/2020-31/1/2024 ²³
	Mr DM (Mandla) Ndlangamandla	15/11/2019-14/11/2023

Membership category	Member	Term
	Mr HH (Henry) Shimutwiken	24/11/2020–23/11/2024
	Mr ZL (Zama) Sigwebela	15/11/2019–14/11/2023
Elected by the academic staff who are not members of Senate (1)	Dr MC (Claudia) Ntsapi	1/4/2023–28/11/2025
Elected by the non-academic staff (support service employee) (1)	Mr CM (Charlie) Molepo	1/1/2020–31/12/2023
Appointed by the Central Student Representative Council (2)	Mr TL (Tshepang) Bambo	until 30 August 2023
	Mr STI (Sifundo) Masuku	until 30 August 2023
	Mr A (Axola) Toto	from 1 September 2023
	Mr STI (Sifundo) Masuku	from 1 September 2023
Appointed by Council (8)	Ms T (Tirelo) Sibisi	1/7/2020–30/6/2024
	Mr LL (Louis) von Zeuner	1/7/2020–30/6/2024
	Mr R (Ryland) Fisher	15/3/2019–14/3/2023
	Mr D (David) Noko	14/9/2019–13/9/2023
	Dr SJ (Snowy) Khoza	1/10/2021–30/9/2025
	Dr A (Anchen) Laubscher	1/9/2020–31/8/2024
	Mr D (David) Abbey	23/3/2022–22/3/2026
	Mr D (Dan) Kriek	23/3/2022–22/3/2026
	Mr DM (Mandla) Ndlangamandla	15/11/2023–14/11/2027 ²⁴
	Vacant	
Appointed by the Municipalities (2)	Vacant	
National Business and Commerce Sector (1)	Vacant	

Table 4: Members of the UFS Council as at 30 June 2024

Membership category	Member	Term
Chairperson	Mr D (David) Noko	1/10/2021–30/9/2025
Vice-Chairperson	Ms T (Tirelo) Sibisi	26/11/2021–25/11/2025
Vice-Chancellor and Principal	Prof FW (Francis) Petersen	
Deputy Vice-Chancellor (1)	Prof V (Vasu) Reddy	1/10/2023–30/9/2024
Appointed by the Minister of Higher Education and Training (5)	Ms KV (Vicky) Tlhabanelo	7/9/2020–7/9/2024
	Ms I (Itumeleng) Pooe	1/7/2020–30/6/2024
	Prof M (Millard) Arnold	27/7/2022–26/7/2026
	Ms L (Leah) Molatseli	27/7/2022–26/7/2026
	Vacant	
Appointed by the Premier of the Free State (1)	Mr KF (Kopung) Ralikontsane	15/11/2022–14/11/2026
Elected by the Senate (2)	Prof L (Liesel) Lues	1/1/2024–31/12/2027
	Prof P (Philippe) Burger	4/7/2021–3/7/2025
Elected by the donors (1)	Mr M (Marius) Rezelman	24/8/2021–23/8/2025
Elected by the Convocation (2)	Mr HH (Henry) Shimutwiken	24/11/2020–23/11/2024
	Vacant	
Elected by the academic staff who are not members of Senate (1)	Dr MC (Claudia) Ntsapi	1/4/2023–28/11/2025
Elected by the non-academic staff (support service employees) (1)	Dr M (Munita) Dunn-Coetzee	1/1/2024–31/12/2027
Appointed by the Institutional Student Representative Council (2)	Mr J (Jeremiah) Mosolodi	
	Mr M (Mpho) Lefowa	
Members appointed on the basis of a broad spectrum of competencies (10)	Ms T (Tirelo) Sibisi	1/7/2020–30/6/2024
	Mr LL (Louis) von Zeuner	1/7/2020–30/6/2024
	Ms R (Refiloe) Hoohlo-Zephyrine	15/3/2023–14/3/2027
	Mr D (David) Noko	14/9/2019–13/9/2023
	Dr SJ (Snowy) Khoza	1/10/2021–30/9/2025
	Dr A (Anchen) Laubscher	1/9/2020–31/8/2024
	Dr PD (Pieter) du Toit	1/2/2024–31/1/2028

Membership category	Member	Term
	Mr D (David) Abbey	23/3/2022-22/3/2026
	Mr D (Dan) Kriek	23/3/2022-22/3/2026
	Mr DM (Mandla) Ndlangamandla	15/11/2023-14/11/2027
Appointed by the municipalities (2)	Thabo Mofutsanyana District Municipality: Mr TE (Tshabadira) Ramoubane	23/5/2024-22/5/2028
	Mangaung Metropolitan Municipality: Vacant	
National business and commerce sector (1)	Vacant	

2.2.3 Audit, Risk, and IT Governance Committee of Council's activities

The Audit, Risk, and IT Governance Committee of Council (ARIC), under the chairpersonship of **Mr D Abbey**, convened **four times during 2023**.

The committee's activities during 2023 included the following:

- The ARIC fulfilled all its compliance obligations, such as required engagements with audit teams.
- The ARIC noted the amended Remit of the Support Services Risk Management Committee.
- The ARIC discussed possible revisions to the Remit of the Audit, Risk and IT Governance Committee as highlighted by Candor Governance (Pty) Ltd, the appointed governance specialists.
- The ARIC approved the creation of a task team, consisting of relevant stakeholders, to lead the review process. A comprehensive report on the amendments would be tabled before the ARIC at the meeting on 2 June 2023.
- The submission of the top institutional risks for approval by the Council was ratified.
- The ARIC noted the interim feedback on the external audit process.
- The ARIC noted the Auditor-General (AG) concurrence for the 2023 financial-year external audit.
- The ARIC noted the Strategic Internal Audit Plan 2023-2025 and the Annual Internal Audit Plan: 2023.
- The Annual Internal Audit Plan 2023 was approved with the proviso that the ARIC be furnished with additional information and/or details to provide members with a clearer understanding of the extent of the planned coverage.
- The ARIC recommended the following matters to the Council, which were approved at the Council meeting on 23 June 2023: the 2022 UFS Annual Report to the Department of Higher Education and Training (DHET); the UFS Consolidated Financial Statements for the year ended 31 December 2022; and the Remit of the Audit, Risk and IT Governance Committee.
- The ARIC noted the Report on Digital Security, which highlighted that only one matter was outstanding in respect of compliance with the set requirements of the UFS' insurance brokers. The UFS has reached full compliance in terms of the other 11 controls.
- The ARIC noted the UFS External Planning Memorandum for the year ended 31 December 2023.
- The ARIC noted the favourable status of the UFS in respect of the 12 requirements set by ABSA's insurance brokers in order for the university to be deemed insurable. Further noted the UFS' future plans to strengthen information security.
- The ARIC noted and recommended for approval to the Council the UFS Institutional Risk Register, which aligns with both Vision 130 and the UFS Strategic Plan 2023-2028. The tabled risks are derived from risks with a risk-level rating of 'medium' and 'high'.
- The Consolidated Financial Statements for the year ending 31 December 2022 were recommended for approval by the Council.
- The UFS Mid-Year Performance Report 2023 was recommended to the Council for approval.
- The Budget 2024 was recommended for approval by the Council.

In conclusion, the Audit, Risk, and IT Governance Committee fulfilled its mandate during 2023, as laid down by the Institutional Rules and its Charter.

2.2.4 UFS Senate activities

Under the chairpersonship of the Vice-Chancellor and Principal, Prof FW Petersen, the Senate convened five times during 2023. Four times for the normal Senate meetings and once for a Special Senate meeting.

- The Senate exercised its responsibility for the academic and research functions, as prescribed by the Higher Education Act (Act 101 of 1997), as amended. The Senate, in executing its responsibility for the strategic direction of the academic research and community service functions of the UFS, as well as for determining policy and rules concerning academic matters, dealt with, among others, the following during 2023:
- Members of Senate have been appointed to relevant UFS committees (including the Executive Committee of Senate).
- Decolonisation Engagement Group of Senate confirmed its remit, finalised the Institutional Position Statement on Decolonisation, and crafted a framework and principles for decolonisation at the university. These documents were noted and supported by Senate.
- Emeritus professors were approved for appointment in the following faculties: Faculty of The Humanities, Faculty of Natural and Agricultural Sciences, and Faculty of Health Sciences.
- The UFS Policy on Preventing and Dealing with Plagiarism was recommended for approval by the Council and was approved.
- The Internationalisation Strategy 2023-2028 was recommended for approval by the Council.
- The Academic Timetable Procedure and the Academic Timetable Committee Remit were approved.
- The Senate noted that the UFS Language Policy that was approved for implementation in 2016 served as a background for the renewal of the UFS Language Policy (2023) and the subsequent Implementation Plan. However, the Implementation Plan was referred back for further consultation in the February meeting.
- The report on appeals against exclusion and readmission was noted.
- The Terms of Reference of the University Readmissions Review Tribunal were approved.
- The Implementation Plan for the amendments to the UFS Statute was supported by the Senate and recommended for approval by the Council.
- The Remit of the Academic Timetable Committee was approved as presented, with one addition – to ensure that the committee will annually review the remit and submit changes/amendments to Senate for consideration and approval.
- The Interim Institutional Rules were supported by the Senate and recommended for approval by the Council.
- The Internal Research Report was approved and recommended for noting by the Council.
- The amendment of the UFS Policy on Collaborative Degrees with Foreign Universities was recommended for approval by the Council.
- The review and replacement of the 2020 Naming and Renaming Policy were supported and recommended for approval by the Council.
- The Constitution of the Animal Research Ethics Committee was approved with one amendment.
- The amended remit of the Senate Enrolment Management Committee was approved.
- The amended remit of the Academic Committee was approved.
- The amended remit of the Educational Technology and Learning Spaces Committee was approved.
- The Senate approved the appointment of a Dean: Faculty of Natural and Agricultural Sciences, and recommended its support to the Council for approval.
- The Senate approved the appointment of a Dean: Faculty of Theology and Religion, and recommended its support to the Council for approval.
- The amended draft remit of the CITC was supported and recommended for approval by the Council.
- The Senate supported the submission of the Report on Learning and Teaching with a recommendation for approval by the Council.
- The 13 October Senate Committee meeting handled the appointment of the Deputy Vice-Chancellor: Academic, and it was noted that the input by Senate would be considered by the selection committee. The matter was then presented to the Council at the next meeting on 24 November 2023.
- The amended remit of the Doctoral Degrees Committee was approved.
- The amended remit of the Senate Committee on Engaged Scholarship was approved.
- The amended remit of the Senate Research Ethics Committee was approved.
- The Self-Evaluation Form for Committees of the Senate was approved for implementation.

- It was approved that the Deputy Vice-Chancellor: Academic be elected as the Vice-Chairperson of the Senate for a period of four years.
- The amended Performance and Promotions Framework for the Faculty of Education was approved.
- The updated Language Policy of the UFS and the Implementation Plan were recommended for approval by the Council.
- The Senate noted that the Policy on Short Learning Programme Provisioning at the UFS was due for revision in 2025. The policy would be tabled at all relevant management structures for discussion, support, and recommendation to a Council meeting in 2025 for approval.

The Senate's sub-committees assisted the Senate in the execution of its functions. These sub-committees include the following:

- Executive Committee of Senate
- Research Committee of Senate
- Senate Research Ethics Committee

During 2023, these committees also fulfilled their mandates as prescribed.

2.2.5 Student Representative Council

These were the major highlights that happened during the term:

Every year, the general student populace at institutions of higher education who resides off campus face major challenges regarding their private accommodation – from accommodation fees to the accreditation standards used to accredit some of the accommodation facilities. The Institutional Student Representative Council (ISRC) continued with a programme launched in 2022 to try to engage students institutionally on matters of private accommodation (PA). In 2023, student leaders further consulted with the student community in relation to the payments of students going to landlords. The student consultation meetings across the three campuses allowed students to make submissions in 2023 about their expectations of the ideal student accommodation. These engagements continued throughout the year.

Student participation in policy consultation and institutional change initiatives

The university ensures that all new policies that are developed or reviewed are consulted with the student population. This is often accomplished via the ISRC, whose responsibility it is to disseminate the policy through governance structures and to ensure that the student voice is not left behind. Some of the policies consulted in the previous term included the institutional policy on Preventing and Dealing with Plagiarism, and the HIV and Aids Policy.

The Unit for Institutional Change and Social Justice, as per the directive from the Deputy Vice-Chancellor: Institutional Change, Strategic Partnerships, and Societal Impact, embarked upon institutional initiatives to implement the Naming and Renaming Policy. The activities involved the ISRC as the first point of call to involve students.

Moreover, the work of the Unit for Institutional Change and Social Justice on names, symbols, and spaces was underpinned by a range of interventions directed at inculcating the values of the university to re-construct the fabric of the university's culture. In other words, the unit understood that it is impossible to find a full and satisfactory practice of inclusion by pursuing the ideal of perfect changes in names, symbols, and spaces. Instead of advancing this Quixotic task, the unit advanced an ambitious yet feasible praxis of restorative justice. It systematically brokered a symbolically adequate set of changes in the names, symbols, and spaces of the university – one that would be acceptable for the purposes of enabling members of the university's communities to focus attentions on the socially impactful work that the university dedicates itself to with its Vision 130. Students were the leading participants among all key stakeholder groups. As a result, the values, symbols, and songs of student residences were reimagined and renegotiated to reflect the change, and the achievements were celebrated in the September 2023 ceremonial across residences.

With the formulation of Faculty Student Representative Councils (FSCs) in 2019, the councils have had a recognisable impact in the various spaces by creating advocacy platforms through the coordination of Academic

Appeals Awareness Workshops, Faculty Rulebook Sessions, and Faculty Indabas where the students were equipped and educated on the various student-related policies and guidelines, while in the same breath advocating for academically excluded students in Faculty Readmission Appeals Committee meetings on which various Academic Student Representatives sit.

Finally, through the Student Governance Structures, the ISRC has the responsibility of contributing to the student experience at the UFS by means of Student Representative Councils in Arts and Culture, Sports, Community Engagement and Social Responsibility, Social Justice and Accessibility, whereby critical student engagements and dialogues are held.

Table 5: Members of the Student Representative Council, 2022/2023

Student Representative Council	Membership category	Member
Institutional	1. President General	Tshepang Bambo (Bloemfontein)
	2. Deputy President General	Retshedisitswe Makae (Qwaqwa)
	3. Secretary General	Asande Zondo (Qwaqwa)
	4. Treasurer General	Lungelo Mabulu (South)
	5. Deputy Secretary General	Courtney Madziwa (Bloemfontein)
	6. Additional members	Okuhle April (Bloemfontein)
		Tumi Kananelo Motsoane (Bloemfontein)
Bloemfontein Campus		Resego Mpshe (South)
	1. President	Okuhle April
	2. Deputy President	Tshepang Bambo
	3. Secretary	Aphiwe Buthelezi
	4. Treasurer	Thabo Lifa
	5. Policy and Transformation	Liyema Nteyi
	6. Student Development and First-Generation Students	Silindokuhle Daka
	7. Commuter Students	Abongile Makwenkwe
	8. Associations Student Council	Rofhiwa Mafinya
	9. Student Organisations Council	Asisipho Mbeki
	10. Academic Student Council	Lerato Mashego
	11. Day Residence Council	Corbin Butler
	12. Campus Residence Council	Katleho Molefe
	12. Postgraduate Student Council	Alina Ntsiapane
	13. International Student Council	Courtney Madziwa
	14. Student Media and Dialogue Council	Ntando Hoza
	15. Universal Access and Social Justice Council	Natania Mzileni
	16. Civic and Social Responsibility Council	Junior Sijane
	17. Arts and Culture Council	Amos Mabaso
	18. Sports Council	Kananelo Motsoane
Qwaqwa Campus	1. President	Makae Retshedisitswe
	2. Deputy President	Zwane Nqobizitha Sinakhokonke
	3. Secretary	Masuku Thami Sifundo
	4. Treasurer	Buthelezi Mthabiseni
	5. Policy and Transformation	Dlamini Ayanda Nonkululeko
	6. Student Development and First-Generation Students	Sabela Bongumusa Sihawukele
	7. Media and Publicity	Jiyane Zinhle
	8. Associations and Religious Affairs Student Council	Khoza Nkosingiphile Creswell
	9. Campus Residence Council	Dladla Sphephelo
	10. Arts and Culture Council	Sithole Yenziwe
	11. Academic Council	Zondo Asande
	12. Sports Council	Gcwini Litha
	13. Universal Access and social justice Council	Kunene Simphiwe

Student Representative Council	Membership category	Member
South Campus	14. Postgraduate Student Council	Phokojoe Rethabile
	15. Internation Student Council	Mashamba Tapiwanashe
	1. President	Lungelo Mabulu
	2. Deputy President	Andiswa Dube
	3. Secretary	Mpho Lefowa
	4. Treasurer	Xilaveko Hlungwani
	5. Policy and Transformation	Moloko Maise
	6. Student Development and First-Generation Students	Nokukhanya Hadebe
	7. Commuter Students	Disebo Mokhele
	8. Academic Council and Commuter Student Council	Resego Mpshe
	9. Sports and Campus Residence Council	Buhle Mawene

2.2.6 Report of the Institutional Forum (IF) to Council

The UFS is positioning the Institutional Forum (IF) to serve as an influential advisory structure; accordingly, it reports directly to Council on matters as determined by the Higher Education Act, as amended.

In the UFS' quest to strengthen the IF, a process is underway to obtain input from all members as part of a review of the IF remit in line with the draft DHET 'Guiding Principles for Strengthening Institutional Forums'.

In 2023, the IF provided quarterly reports to Council, which included, among others, a brief summary of its activities and, where applicable, advice to Council on matters pertaining to its functional responsibility under Section 32 of the Higher Education Act, 1997 (Act No. 101 of 1997), as amended.

In line with its mandate and institutional remit, the IF engaged in the following activities and advised Council on the following issues in the year under review:

- The IF was represented as an observer in senior appointment processes to be proactively involved from the onset to be able to report properly and comprehensively to Council about the fairness of the appointment processes and procedures. The IF representatives thus intensively observed the fairness, consistency, openness, and rationality of senior appointment processes, and advised Council accordingly.
- The IF discussed the extension of term for the Senior Director: Research and Development and recommended the extension to the Council.
- The IF discussed senior posts within the institution and provided advice to the Council.
- The IF advised the Council to approve the review and replacement of the (2020) Naming and Renaming Policy.
- The IF noted that the ISRC elections took place on all three campuses. The results have been communicated, and the election was declared free and fair.
- The IF noted that due to time constraints, the IF workshop would be held in February 2024. Further details would be shared with members in due course.
- The IF advised the Council to approve the Draft Language Policy 2023 and the Language Policy Implementation Plan.

The IF advised Council on several key issues, including the remit of the IF, promotion of gender equality, key transformation-related matters on HR policies, and procedures and appointments.

Participation and attendance of IF members improved significantly during 2023, and IF visibility, through its reporting and advisory function to Council, increased in terms of gravitas and impact.



Anita Lombard
Acting Chairperson/Deputy Chairperson

Table 6: Members of the Institutional Forum, 2023

Membership category	Member	Term
Chairperson	Mr Katleho Lechoo	
Deputy Chairperson	Ms Anita Lombard	
Representatives of the University Management Committee (2)	Ms JM Molopyane	17 October 2022-13 September 2024
	Ms Susan van Jaarsveld	12 June 2023-15 November 2024
Two Council representatives	Ms Refiloe Hoohlo-Zephyrine	24 March 2023-31 August 2024
	Mr Zama Sigwebela	16 September 2022-15 September 2026
Two Senate representatives	Prof Patrick Mafora	27 October 2020-26 October 2024
	Prof Theodor Neethling	22 July 2021-21 July 2025
Two representatives of academic staff (other than Senate members)	Dr Jacques Matthee	12 November 2020-11 November 2024
	Dr Moeketsi Tlali	12 November 2020-11 November 2024
Two representatives of support staff	Ms Cathy de Lange	July 2021-11 November 2024
	Mr Katleho Lechoo	1 September 2022-31 August 2026
Two representatives of service employees	Ms Letshego Molale	1 August 2021-31 July 2025
	Ms Kehiloe Mtshali	1 August 2021-31 July 2025
Two ISRC representatives	Lebohang Tshwinyana	Coincides with term of office in ISRC
	Scelo Zuma	Coincides with term of office in ISRC
Two representatives of recognised trade unions	Ms Anita Lombard (UVPERSU)	
	Mr Deon Seitheisho (NEHAWU)	
One or two designated representatives of other stakeholder groups (subject to clause 6(5)) as identified by the IF and approved by the Council	Prof Colin Chasi	17 September 2021
	Mr Chelepe Mocwana	17 September 2021

2.2.7 Data governance and management: Institutional

Data governance, as a subset of the total approach to institutional governance, has been a key focus area of the university. At the UFS, data governance is aimed at ensuring the management and protection of data assets towards the optimisation of institutional operational efficiencies. University data governance at the UFS complies, in as much as is reasonably possible, with relevant laws and regulations, such as data protection and privacy laws (POPIA) and ensures that data is used ethically.

In 2023, the UFS continued to invest more energy in data governance, including processes to identify key role players in the institution as data owners and/or system owners or both.

Data governance is dictated by POPIA and supports the floor-level deployment of the POPIA Act and its implications. Both the data and systems ownerships are fully defined and technically designed in terms of ICT Services' requirements and are well into the implementation thereof. The complexity of the integration, assignment of ownership, and implementation across the institution are collaborative and consultative. Ensuring data and governance compliance in line with POPIA is time consuming and requires the continuous assessment of inherent and emerging operational risks, as well as the specific managerial practices associated with requisite change management and bridging.

Data management pertains to digital security and data privacy in the POPIA and its operationalisation across the institution. At the UFS, data management is addressed through institutional procedures and practices as prescribed by relevant structure owners and their associated roles and functions within the institution.

Key aspects of the data management regimen at the UFS include accountability mechanisms with dedicated roles and responsibilities, data security in terms of protection, storage, transmission, access control, and data quality.

The UFS continues to invest considerable time and resources to ensure data quality; that is, data that is accurate, complete, and up to date, and that is consistent across systems and departments.

ICT plays an important role in both data governance and data management and remains the custodian and initiator of continuous improvement that includes the regular review of governance processes to ensure that they are effective and responsive to changing needs and circumstances.

At the UFS, data management is deliberately unfolding, and much remains to be done related to re-engineering internal processes to the point of data-safe compliance and security, as well as the aligned institutional efficiencies.

Data governance and management must translate into efficient and effective dissemination of institutional information for strategic decision making, planning, monitoring, and evaluation. At the UFS, this entailed in 2023 the institutionalisation of the Business Intelligence (BI) Strategy, a key outcome of which was putting more emphasis on the implementation of the conceptual model. This model clearly demonstrates the level of integration of data governance, management, and the dissemination of information, and its location within the broader institutional structure. Figure 2 demonstrates the approach adopted for the implementation of the BI through the operational data store.

The UFS Operational DataStore (ODS) has been designed to support BI and analytics. It acts as an integrator and a central repository for data that have been extracted from the various operational systems and transactional databases, both internally and external to the UFS. The purpose of the ODS is to provide a consistent, reliable, accurate, and integrated view of data that can be extracted, translated and interpreted, and used for reporting, analyses, and decision-making.

The development of an ODS remains a complex process that requires a combination of technical expertise, data management skills, and institutional knowledge, and therefore requires informed, careful planning and execution.

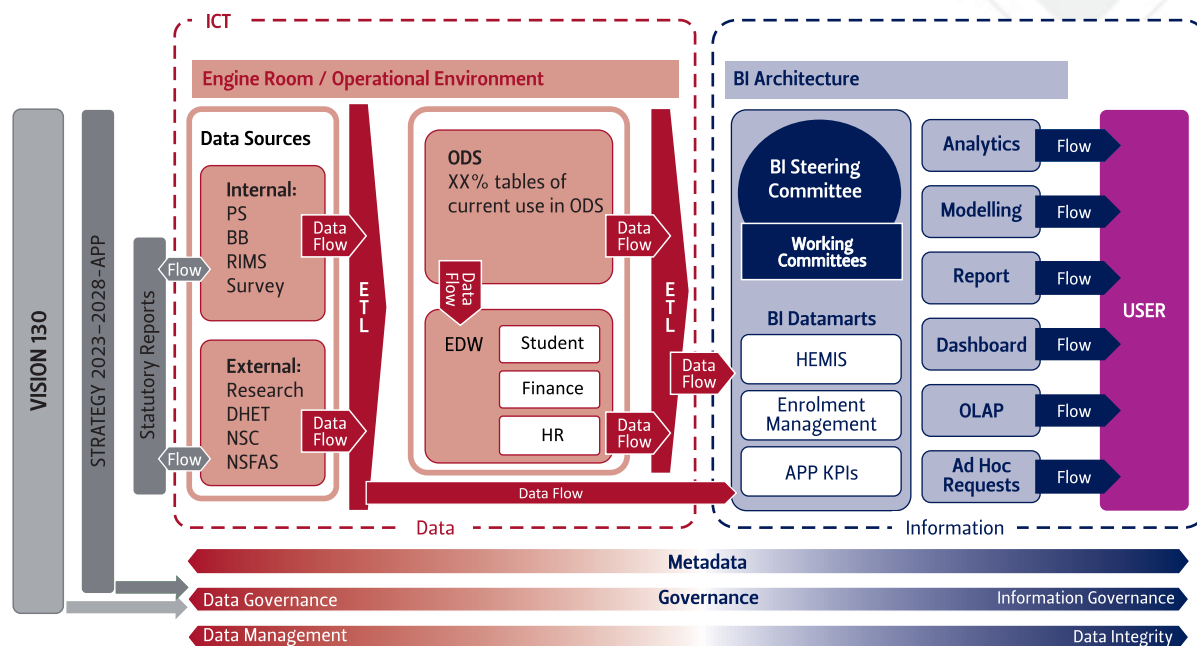


Figure 2: Implementation of the business intelligence strategy

2.3 Management

2.3.1 University Management Committee

The University Management Committee (UMC) is one of the UFS' statutory institutional committees, convening 10 times during 2023.

The UMC's mandate, roles, and functions are set out in the Institutional Rules; it is responsible for exercising the powers and duties delegated to the UMC by the Council. The UMC is responsible for the strategic management of the UFS with regard to its focus areas, key success factors, academic support services, and portfolios, as follows:

(i) For finalising

Creation and filling of posts, and promotion of all permanent and full-time support services staff members whose level of remuneration is equal to that of a professor, associate professor, or senior lecturer.

The finalising of all matters that cannot be finalised within certain management lines by means of specific approved policy and procedures and that fall outside the mandate of the Executive Committee of the Senate and the Senate.

The establishment or termination of support service departments.

(ii) For recommendation to the Senate and Council

Recommendations to the Council regarding the appointment of persons to support service posts with a remuneration level equal to or higher than that of a senior professor.

Should the policy stipulations also affect academic staff, relevant macro-institutional policy matters/ policies are referred to the Council via the Senate to obtain clarity and for decision making, otherwise the policy recommendations are submitted directly to the Council for decision making.

During 2023, the UMC, under the chairpersonship of the Vice-Chancellor and Principal, executed its mandate in some of the following ways:

- The UMC approved the amended remit of the Senior Leadership Group with the authorisation to make subsequent amendments regarding the paragraph numbering in the remit.
- The UMC approved appointments at senior management and academic level as stipulated in institutional legislation.
- The UMC has approved the Student Lab Management Procedure (managed by ICT Services) and Rules and Regulations for the use of Computer Labs Managed by ICT Services.
- The UMC approved the increase of 4% in the supply and service budget allocations for 2024, as well as the time frame of the budget process for 2024.
- In terms of the Draft Policy and Implementation Plan for Unmanned Aerial Vehicle Operations at the UFS for Research, Teaching, and Internal Operations, it was decided that further consultation should take place, after which the policy and remit would be tabled at the Research Committee of the Senate, UMC, and the Council meeting in November 2023 for approval.
- The UMC requested that Student Recruitment Services refine the recruitment strategy before it is submitted again to the committee.
- The interim institutional rules were supported and recommended to the Council for approval.
- The UMC supported the amendment of the Policy on Short Learning Programme Provisioning at the UFS.
- The UMC noted the revision of the Policy of the UFS on Travel and Subsistence Allowances.
- The Conflict of Interest Policy was recommended to the Council with the request to take the minor grammar issues into account.

In conclusion, the UMC fulfilled its mandate in 2023, as laid down by the rules.

Table 7: Members of the University Management Committee, 2023

Membership category	Member
Vice-Chancellor and Principal (Chairperson)	Prof FW (Francis) Petersen
Deputy Vice-Chancellors	Prof RC (Corli) Witthuhn (until 31 March 2023) (Deputy Vice-Chancellor: Research and Internationalisation)
	Prof V (Vasu) Reddy (from 1 April 2023)
	Dr M (Molapo) Qhobela (Deputy Vice-Chancellor: Institutional Change, Strategic Partnerships and Societal Impact)
	Dr EL (Engela) van Staden (Deputy Vice-Chancellor: Academic)
	Prof P (Prakash) Naidoo (Deputy Vice-Chancellor: Operations)
Registrar	Mr NN (Nikile) Ntsababa
Deans	Prof H (Heidi) Hudson (until 28 February 2023) – Prof MA (Mogomme) Masoga (from 1 March 2023) (The Humanities)
	Prof JC (John) Mubangizi (until 31 January 2023) – Prof SAD (Serges) Kamga (from 1 February 2023) (Law)
	Prof P (Philippe) Burger (Economic and Management Sciences)
	Prof Paul Oberholster (from 1 January 2024) (Natural and Agricultural Sciences)
	Prof GJ (Gert) van Zyl (Health Sciences)
	Prof LC (Loyiso) Jita (Education)
	Prof R (Rantsoa) Letšosa (resigned – last day of service 28 February 2023) – Prof DF (Francois) Tolmie, Acting Dean (Theology and Religion)
Dean: Student Affairs (old name) Executive Director: Student Affairs (new name)	Mr T (Temba) Hlasho
Qwaqwa Campus	Dr MDPA (Martin) Mandew (Principal)
Heads of Department	Ms JM (Jeannet) Molopyane (Library and Information Services)
	Mr Chris Liebenberg (until 31 Dec 2023) (Finance)
	Ms SJ (Susan) van Jaarsveld (Human Resources)
	Dr GJ (Glen) Taylor (Research Development)
	Ms LC (Lacea) Loader (Communication and Marketing)
	Prof JF (Francois) Strydom (Centre for Teaching and Learning)
	Mr NJ (Nico) Janse van Rensburg (University Estates)
	Prof L (Lynette) Jacobs (acting from 1 Aug 2023) – Dr CCA (Cornelius) Hagenmeier (left the service of the UFS on 31 July 2023) (Internationalisation)
	Dr RT (Russell) Ally (Institutional Advancement)
	Ms NE (Nomonde) Mbadi (Student Marketing)
	Prof CT (Colin) Chasi (Unit for Institutional Change and Social Justice) (new name)
	Bp PMB (Billyboy) Ramahlele (Community Engagement)
	Dr D (Dhanasagran) Naidoo (from 9 Oct 2023 at the UFS) – Ms L Griesel (resigned at the end of May 2023) (DIRAP)
	Prof W (Witness) Mudzi – Dr K (Karen) Booysen (acting) (Postgraduate School [old name] – Centre for Graduate Support [new name])
	Mr N (Noko) Masalesa (Protection Services)
	Mr QT (Quintin) Koetaan (Housing and Residence Affairs)
	Adv SA (Shirly) Hyland (Short Learning Programmes)
	Mr MLJ (Jerry/Matsobane) Laka (KovsieSport)
	Dr NI (Nomalungelo) Ngubane (Academy for Multilingualism)

Membership category	Member
President: Central Student Representative Council	Mr TSI Masuku (2023)
SRC President: Qwaqwa	Mr T Bambo (2023)
In advisory capacity	Ms AM (Anita) Lombard (UVPERSU representative)
	Mr CD (Chelepe) Mocwana (NEHAWU representative)
	Ms JH (Elna) van Pletzen (Deputy Registrar: Governance)
	Mr A (Anban) Naidoo (Deputy Registrar: Student Academic Services)
	Adv VA (Vuyo) Booysen (Deputy Registrar: Legal Services and Compliance)
	Dr J (Jared) McDonald (Chief of Staff)

2.3.2 Report of Council on risk assessment and management of risk

The governance responsibility for risk management duties resides with the Audit, Risk and IT Governance Committee (ARIC). The ARIC assists the Council in discharging its duties to ensure the integrity of annual reporting and reviewing the effectiveness of the financial reporting process, the system of internal control and management of risks, the assurance process, and the process of monitoring compliance with laws and regulations.

The university's risk philosophy is operationalised through a risk management policy and guidelines in which the risk management process, governance structures, responsibilities, and accountabilities are outlined. The risk management framework is informed by Vision 130, the university's strategy, and guided by the university's risk management philosophy. The risk management framework provides the foundation and organisational arrangements for the efficient operation of risk management through the application of a structured risk management approach.

The Institutional Risk Management Committee has been established as a sub-committee of the ARIC to assist Council in discharging its duties relating to risks associated with the safety and welfare of all who work at or for the university, the integrity of the university's academic work, strategy, and reputation, and the appropriate use and safeguarding of material assets. The IRMC is governed by a remit and supported by the following structures:

- Academic Committee of Senate – risks of academic work
- Research Committee of Senate – risks of research
- Senate Committee on Engaged Scholarship – risks of engaged scholarship
- Support Service Risk Management Committee – risks of university operations, health, safety, and crime.

The IRMC convened four meetings during 2023. The members of the IRMC collectively have the ability and experience to identify and manage risks and are knowledgeable regarding risk management in general.

Membership comprises the following:

- Vice-Chancellor and Principal (Chairperson)
- Deputy Vice-Chancellor: Research and Internationalisation
- Deputy Vice-Chancellor: Institutional Change, Strategic Partnerships and Societal Impact
- Deputy Vice-Chancellor: Operations
- Deputy Vice-Chancellor: Academic
- Registrar
- Executive Director: Student Affairs
- Senior Director: Institutional Advancement
- Senior Director: Information and Communication Technology Services
- Senior Director: Protection Services
- Senior Director: Communication and Marketing
- Qwaqwa Campus Principal



Sci-Ed SCIENCE EDUCATION CENTRE

- Two deans from faculties, appointed by the Deans Forum
- Chairperson of the Audit, Risk and IT Governance Committee (ARIC)
- Deputy Registrar: Legal Services and Compliance
- Deputy Registrar: Governance and Policy
- Deputy Registrar: Student Academic Services
- Risk Unit: Senior Director: Finance (advisory)
- Risk Unit: Director: Finance (advisory)
- Risk Unit: Chief Officer Risk Management (advisory)
- Head of Internal Audit (advisory)
- Compliance Officer.

The IRMC may seek assistance from experts where appropriate, but the IRMC must be satisfied that such experts have no conflict of interest in relation to the matter under consideration.

All risks are identified, assessed, and mitigated at the primary source/division and escalated through the risk management structures. Risk identification stems from potential threats to the university's strategic objectives or events that could impede on the effective utilisation of opportunities. Should risks be above the risk appetite as set by Council, risk mitigation strategies are applied and monitored. Risk mitigation strategies are preceded by robust discussions and construed with a multidisciplinary approach.

The mandate of the IRMC was executed by reviewing the most significant institutional risks that would prevent the university from achieving its strategic objectives. Risks with an institutional impact were presented to ARIC for input and discussion.

In October 2023, the ARIC reviewed the institutional risks put forward by the Academic Committee, Research Committee, Senate Committee on Engaged Scholarship, and Support Services Risk Management Committee and the UFS Council approved the subsequently identified top institutional risks of 2023 in November. The identified risks are managed to improve the performance of strategic objectives. Table 8 shows the institutional risks.

Table 8: UFS institutional risks 2023

No.	Risk description	Overall Inherent (Impact x Likelihood)		Controls	Control effectiveness	Residual risk (inherent rating x control effectiveness)	Summary of action plans
1	Interruptions in core business due to power outages in Qwaqwa as a result of the dilapidated municipal infrastructure and loadshedding	5	4	Qwaqwa Campus microgrid in place to supply power during outages Continuous monitoring of system Standby teams available to assist at short notice/after hours Area is fenced off with access control and CCTV	Very strong	Medium	Load-reduction scheme implemented to effectively manage diesel costs and allow use of heaters in residences Expansion of solar system and possible battery storage by May 2024

No.	Risk description	Overall Inherent (Impact x Likelihood)		Controls	Control effectiveness	Residual risk (inherent rating x control effectiveness)	Summary of action plans
2	Cyber (digital) security	5	5	<p>Projects in progress 2023:</p> <p>Security information and event management (elastic) (completed)</p> <p>Endpoint central (patch management) Tenable.IO</p> <p>IS Policy rewrite (ISO 27001 aligned)</p> <p>Additional staff member appointed SOC (completed Sept 2023)</p> <p>Digital security orientation training for new appointees (continuous)</p> <p>Simulated phishing campaigns (continuous)</p> <p>MARSH/AIG minimum deductible insurance controls (completed)</p> <p>The most profound controls implemented by ICT during 2021/2022:</p> <p>Global Protect VPN</p> <p>Dual-factor authentication</p> <p>DKIM and DMARC (email security)</p> <p>CASB cloud security on O365</p> <p>ApexSQL – database activity monitor</p> <p>Backup encryption</p> <p>JAMF drive encryption on Apple devices</p> <p>File server auditing</p> <p>Image now retention and audit</p> <p>SSL decryption on gateway</p> <p>Endpoint detection and response (cybereason)</p> <p>Oracle database activity monitor</p> <p>Centrify privileged user management (phase 1)</p>	Strong	High	<p>Projects in progress 2023:</p> <p>Trusted and untrusted network architecture to align with the services orientation (in progress)</p> <p>Desktop encryption (in progress)</p> <p>Oracle traffic encryption (dependent on ERP optimisation project, start 2023)</p> <p>Oracle database encryption (dependent on ERP optimisation project, start 2023)</p> <p>Spirion data classification (in progress)</p> <p>Oracle database deidentification (dependent on ERP optimisation project, start 2023)</p> <p>PeopleSoft data masking (Appspan) (in progress)</p> <p>IS Policy rewrite (ISO 27001 aligned) (in progress)</p> <p>Simulated phishing campaigns (continuous)</p> <p>Digital security orientation training for new appointees (continuous)</p>
3	Failure to increase emphasis (resources and attention) on research that advances societal and knowledge impact (SDGs) and funding	5	5	<p>Align annual budget to research with strategic intent</p> <p>Providing funding for publication costs</p> <p>Improved digital identity and footprint through use of ORCID</p> <p>Future Professoriate Mentoring Group</p> <p>Development of young academics through the University Capacity Development Grant (UCDG) and the New Generation Academic Programme (nGAP)</p> <p>Faculty Advisory Committees evaluate the faculty research agenda, advise on industry trends, associated risks, and provide guidance to improve collaborations and networks</p>	Satisfactory	High	<p>Review the research agenda, with a specific focus on the Sustainable Development Goals (SDGs) and high-impact research</p> <p>Translate the research agenda into research strategies, including requisite resources and agenda and infrastructure plans</p> <p>Implement and monitor the research strategies and agenda, and revise accordingly</p>
4	Failure to increase our research and innovation competitiveness to diversify income streams and show value proposition	4	4	<p>Designated funding for IP commercialisation and industry engagement</p> <p>Workshops to equip staff with the skills to apply for grant funding</p> <p>Industry mentorship programme to deepen engagement with industry</p> <p>Improved visibility of UFS researchers' outputs through ORCID and Open Access</p> <p>Co-ordinate visits with sponsors and industry to showcase UFS skills and potential for collaboration</p> <p>Spin-out companies established to commercialise UFS research</p>	Satisfactory	High	<p>UFS to register on the TIA I bridge portal</p> <p>DRD website to advertise UFS expertise, services, accredited labs, and infrastructure</p> <p>Dedicated personnel for grant writing and applications</p> <p>Set parameters for research chairs and centres of excellence</p>

No.	Risk description	Overall Inherent (Impact x Likelihood)		Controls	Control effectiveness	Residual risk (inherent rating x control effectiveness)	Summary of action plans
5	Share of income from advancement activities stagnate due to economic climate and our inability to raise funds	4	4	Institutional Advancement has a CRM system that tracks interactions by fundraisers and other staff The system also tracks contributions received to stay abreast of trends	Satisfactory	High	Strategic approaches to SETAs and other high-probability prospects alongside partner departments such as DRD and Financial Aid Exploring international funding opportunities Retain existing donors, renew lapsed donors, and acquire new donors
6	Difficulty to attract and retain quality fee-paying and students from minority groups	3	5	Recruitment and Admission Strategy implemented Approved Admissions Policy Faculty rules Approved enrolment plans Prospectus in place Offer management	Satisfactory	High	Implemented recruitment strategy targeting Quintile 5, private schools, and homeschooling communities Department of Communication and Marketing (DCM) to profile UFS as an institution of choice to Quintile 5 schools, minority groups, and fee-paying students Intensify the faculty marketing plans Implement enrolment planning as a key driver to maintain an optimal balance between intake and capacity Cross-departmental integration and collaboration to encourage effective oversight of the professional, ethical, and shared service delivery at each touch point between application and enrolment Restructuring of undergraduate qualifications to prepare students for postgraduate research Promote postgraduate student funding in key programmes
7	Inadequate financial capital, academic support services, and resources to promote academic excellence and quality	4	4	Dedicated proposal writers in faculties and DRD Impactful partnerships Increase in targeted SLPs Budget process in place Infrastructure and efficiency grant funding from DHET Monitor expenditure of allocation and report on earmarked grants New recruitment strategy and task team established System and administration renewal project in place	Strong	Medium	Enhance capacity to develop grant proposals Collaborate with Institutional Advancement to attract involvement of alumni Repositioning of SLPs Full infrastructure audit and spatial renewal plan to determine fitness for purpose Implement a transparent infrastructure capital budgeting and forecasting model for new and replacement procurement of large equipment Review the digitalisation plan in line with Vision130 Improve curriculum advising and improve uptake of student support initiatives Process reengineering in critical areas



No.	Risk description	Overall Inherent (Impact x Likelihood)		Controls	Control effectiveness	Residual risk (inherent rating x control effectiveness)	Summary of action plans
8	Inability to attract, recruit, and retain academic leadership and qualified, diverse academic and support staff	4	3	HR procedures in place Academic promotion criteria Performance management Programmes to develop staff (NESP, QDP and Future Professoriate Programme) Time relief to complete M and D funded through the UCDG Mentor programmes (supervision) Reward and incentives Succession planning Continuous professional development of academic staff	Satisfactory	High	Define management and leadership requirements per faculty, conduct a capability and capacity audit, and identify gaps Develop and implement a tailor-made HOD training Enhance a forward-looking promotion system Recruit, develop, and maintain academic staff members Extend the pool of scarce skills Blended learning for staff upskilling Allocate more staff for postgraduate supervision in disciplines with high student completion rates Determination of department academic staff profile in process

2.3.3 Report on internal administrative/operational structures of control

The university maintains systems of internal control over financial reporting and the safeguarding of assets against unauthorised acquisition, use or disposal. Such systems are designed to provide reasonable assurance to the university and the Council regarding a compliant operational environment that is committed to the safeguarding of a public higher education institution's assets, and the preparation and communication of reliable financial and other information.

The internal control systems include documented organisational structures setting out the division of responsibilities, as well as established policies and procedures, including a commitment to ethics and ethical conduct that is communicated and practised throughout the university to foster a strong ethical climate.

Information systems utilising modern information technology are in use throughout the university. All of these have been developed and implemented according to defined and documented standards to achieve efficiency, effectiveness, reliability, and security. Accepted standards are applied to protect privacy and ensure control over all data, including disaster recovery and back-up procedures. Password controls are strictly maintained, with users required to change passwords on a regular basis. Regular (monthly) reviews are conducted to ensure that there are no clashes of user-access rights, and that the basic internal control concept of division of duties is maintained. Where, for capacity reasons, an occasional clash does occur, sufficient manual controls are in place to ensure that these risks of clashes are mitigated. Systems are designed to promote ease of access for all users, and the systems are sufficiently integrated to minimise duplication of effort and ensure minimum manual intervention and reconciliation procedures. The development, maintenance, and operation of all systems are controlled by competent, sufficiently trained staff.

The utilisation of electronic technology to conduct transactions with staff and third parties ensures that control aspects receive close scrutiny and that procedures are designed and implemented to minimise the risk of fraud or error.

The Internal Auditor monitors the internal control systems and reports findings and makes recommendations to Management and the Council through the Audit, Risk and IT Governance Committee. Corrective actions are taken to address identified control deficiencies and other opportunities for improving systems. The Council, operating through its Audit, Risk and IT Governance Committee, provides oversight of the financial reporting process.

There are inherent limitations to the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even an effective internal control system can provide only reasonable assurance with respect to financial statement preparation and the safeguarding of assets. Furthermore, the effectiveness of an internal control system can change according to circumstances. Nonetheless, the university has made every effort to mitigate the potential of such occurrences.

The university has assessed its internal control systems as at 31 December 2023 in relation to the criteria for effective internal control over financial reporting described in its financial policy documents. Based on this assessment, the university believes that its systems of internal control over operational environment, financial and information reporting, and safeguarding of assets against the unauthorised acquisition, use, or disposal of assets met these criteria on 31 December 2023.

The university also conducted a review of its risk assessment document and, in conjunction with the internal auditors, developed a programme of internal audits to examine the systems, procedures, and controls in those areas considered as high risk.

With regard to other matters on the agendas of the Audit, Risk and IT Governance Committee, there were no outstanding items that exposed the university to loss arising from undue material risk.



Victor Visser
Director: Internal Audit



David Abbey
Chairperson: Audit, Risk and IT Governance Committee

3. PERFORMANCE

An aerial night photograph of a university campus. Several large, multi-story brick buildings with dark, corrugated metal roofs are visible. The buildings are illuminated from within, with many windows glowing with light. The roofs are dark and reflect some of the ambient light. In the background, a city skyline is visible under a dark sky, with various lights and structures. The foreground shows some greenery and a paved area.



3. PERFORMANCE

The UFS followed an integrated approach in compiling the Annual Report, while meeting all requirements as set out in the Regulations for Reporting by Public Higher Education Institutions (2014). This integration hinges on the Report of the Senate to Council as well as its commitment to the Council in the Annual Performance Plan (APP). This section thus addresses the extent to which the strategic goals and objectives for learning and teaching, research, and engaged scholarship have been met.

3.1 Report of Senate to Council

3.1.1 Overview of progress during 2023 with regard to the implementation of the goals and objectives set out in the 2023 APP

The Teaching and Learning environment saw more than 30 projects approved in 2023 to support various structures and student levels in adapting technology to promote a better post-pandemic learning experience at the UFS. The technology adaptation environment at the UFS is overseen by the Educational Technology and Learning Space (ELTS) Committee. Its aim is to make strategic decisions to advance the utilisation of educational technologies in learning and teaching in formal or non-formal programmes at the UFS. It is important to note that there are currently no guidelines within the UFS on how provision should be made for the procurement and licensing of educational learning technologies within project, departmental, and institutional ICT budgets. This requires urgent institutional attention for better strategy implementation.

Various initiatives were implemented in 2023 to support student academic transitioning from under- to postgraduate studies:

- The No Student Left Behind (NSLB) initiative was implemented to identify and contact students who were inactive on Blackboard to ensure that they receive the necessary support.
- The success of the NSLB initiative resulted in Track Your Success (TYS) – an initiative that forms part of a bigger collaborated funding programme between the UFS and the Michael and Susan Dell Foundation.
- The Curriculum Renewal Programme (CRP), an intensive curriculum development training programme.

The Research environment experienced various initiatives in 2024 designed to achieve strategic goals and objectives towards Vision 130 in the long run. The UFS research agenda was revised through a consultative process with faculties and other stakeholders. The final step of thematic analysis will be conducted to analyse the research themes within faculties in terms of coherence of research clusters. The implementation in 2024 will also require the task leader to promote cross-faculty collaborations through the faculty representatives who have been leading the consultation exercise. In addition, the revision of the Central Research Funding guidelines was finalised in 2023 and implementation will begin in 2024. The research funding application process will incorporate an application and approval process routed through RIMS. In addition, research funding applications will be reviewed for alignment with Vision 130 and the selected SDGs. Furthermore, discussions initiated in 2023 with faculty deans regarding third-stream income strategies, income targets, and additional funding areas such as support for postdoctoral fellows, postgraduate support will continue into 2024.

The grow-your-own-timber programme through the Future Professoriate and Emerging Scholars Accelerator Programme (ESAP) programmes produced 18 associate professors and other young academics promoted to senior lecturer and lecturer levels. Institutional resources have also been invested in refining the conceptual understanding of pivotal constructs within our academic community, such as ‘internationally recognised scholar’ and ‘national and international footprint.’ This was done to provide guidance on how such academics and their outputs can increase within the institution. Conversely, the standard criteria for the establishment of centres of excellence and research chairs were formalised in 2023 and subsequently communicated to the faculties.

The Engaged Scholarship environment at the UFS has implemented various institutional change initiatives. The Unit for Institutional Change and Social Justice promoted a future-centric dialogue sessions approach within the university community and beyond. It also reconceptualised the naming of spaces at the institution as part of the transformation drive. Many other initiatives have been implemented to promote multilingualism, the eradication of gender-based violence, no-racialism, etc.

In order to improve institutional processes, 11 processes associated with critical institutional policies that give expression to Vision 130 were reviewed and funded by the Digitalisation Committee. Engagement sessions took place among stakeholders to present the guidelines, principles, and template for delegation of authority. Other institutional improvement activities included the following:

- The review of the university's marketing and communication approach was done in 2023, and a draft of the revised strategy will be discussed for approval and implementation from 2024.
- The university has initiated a policy update to capture the promotion of diverse, professional, and talented academic and support staff as a requirement.
- The UFS employment policy and procedures to ensure the recruitment and retention of professional support staff were reviewed and approved by Council in 2023 for implementation in 2024.
- The draft headhunting and succession planning strategy was completed in 2023 and stakeholder engagements are to begin in 2024 towards approval and implementation.
- Seventeen processes were approved by the university's Digitalisation Committee and eleven received funding.

In relation to student life at the UFS, the Department of Student Affairs (DSA) initiated various programmes to improve student life, such as initiatives focused on eradicating gender-based violence (GBV), the KoviesCare GBV campaign launched in 2023, continuous student support through KovieHealth and the HIV Office within the DSA. In addition, the university has invested heavily in the accreditation of off-campus student accommodation facilities.

The university provides health services to all three UFS campuses. Notably, the evidence in the Department of Student Affairs shows that most students seeking counselling were affected by overthinking, anxiety, and depression. This shows that the Counselling office is critical to a better student life at the UFS, but also that these institutional resources were well spent.

To promote financial sustainability, the university budget summit engagements involved a critical review of the university's priorities before the 2024 budget was approved. The strategic intent was to review and ensure alignment of strategic pillars towards Vision 130 and efficiency. Furthermore, the review process entailed a comprehensive assessment of the UFS' strategic priorities, academic programmes, research focus areas, and campus-specific needs.

A few challenges were noted in 2023, which included the lack of guidelines within the UFS on how provision should be made for the procurement and licensing of educational learning technologies within project, departmental, and institutional ICT budgets. In addition, to increase academic staff with PhDs, the university advertises lecturer posts with the requirement to be registered or ready to register for a PhD. This is expected to result in a great majority of academic staff with PhDs at the institution. However, there has been little movement since the policy update process was initiated in the first quarter of 2023.

The university succeeded in achieving most of the indicator targets set out for 2023 and the respective activities.

The following section addresses the specific performance areas per the annual performance plan.

3.1.2 Improve academic excellence, reputation, and impact (Goal 1)

The university has achieved its 2023 targets for five of the eight indicators, noting that the other three indicators are not applicable since their baselines and targets had not been approved by the time the 2023 APP was approved by the Council. These indicators measure institutional performance in relation to the goal of improving academic excellence, reputation, and impact.

Placing increased emphasis on research that advances societal and knowledge impact (objective 1.1)

The UFS has performed well in relation to the objective of increasing emphasis on the advancement of research that increases societal and knowledge impact. The relevant activities in relation to reviewing the resourcing modalities and the research agenda have been completed. Two strategic activities were initiated during 2023 to achieve this objective: the review and re-design of the resourcing of the research enterprise and the revision of the UFS' research agenda. The university remains committed to completing the third-stream income strategies of faculties in 2024.

Reviewing the existing modality of resourcing the research enterprise

The progress made in reviewing and re-designing the resourcing of the research enterprise includes innovation related to the budgeting processes to align institutional resource allocation with the university's strategic intent. Additionally, internal funding processes, such as the Central Research Funding, Expensive Equipment Funding, and Publication Output incentives, have been revised to align with the UFS' strategic goals and research agenda, with an emphasis on impactful research. The revised guidelines went through a consultation exercise during 2023.

In addition, the revision of the Central Research Funding guidelines was finalised in 2023 and implementation will begin in 2024, incorporating an application and approval process routed through the Research Information Management System (RIMS). Applications for funding will clearly demonstrate the alignment with the UFS' strategic goals, its research agenda, and the Sustainable Development Goals (SDGs). Furthermore, applications will clearly outline the intended outputs and outcomes emanating from the funding. The approved applications will be monitored for progress with outputs and outcomes and will be reported on quarterly to the University Council. However, in relation to the funding guidelines for Expensive Equipment and Publication Output incentives, the consultation process to finalise them will extend into 2024, with continuing refinement efforts.

In relation to third-stream income, discussions were initiated in 2023 with faculty deans regarding third-stream income strategies, income targets, and additional funding areas, such as support for postdoctoral fellows, postgraduate support, UFS Qwaqwa Campus operations, staff resources, profit-sharing incentives, and the reallocation of unused surplus funds within the faculties. These engagements will gain further momentum in the upcoming 2024 financial year.

Reviewing the research agenda

The revision of the research agenda focused specifically on the alignment of the overarching research themes of the UFS with the National Development Plan, the SDGs, and the African Union Agenda 2063 to ensure high-impact research with relevance to the local, continental, and global knowledge enterprise as well as to the broader community. The task leader engaged the deans in a discussion about conducting a gap analysis of the current established research strengths of their faculties. The gap analyses involved the analysis of the DHET-submitted research outputs for the past five years, as well as information provided by the Library and Information Services of the top 500 research output clusters for the entire institution. In addition, a thematic analysis of the research themes within each of the faculties will be conducted in terms of coherence of research clusters. The task leader, in collaboration with the faculty representatives (deans and/or deputy deans of research), will triangulate the themes across faculties to determine the main research clusters representing the research outputs of established and emerging researchers, the potential impact of these clusters in terms of critical mass outputs, and the impact of these outputs on current and future knowledge fields.

This activity will continue into 2024 with the analysis of documents such as the Global Risk Report (WEF, 2024) to identify critical future trends to which the UFS research agenda must be aligned, as well as evolving trends in the disciplines relevant to the faculties. These initial analyses will be concluded by 31 March 2024. The triangulation of themes within and between faculties and engagement with internal and external stakeholders will require active consultation between all stakeholders to ensure the establishment of interdisciplinary and/or transdisciplinary research clusters that increase the impact of the research.

All these initiatives were tracked and monitored by the Directorate Research Development (DRD).

Ensuring the quantity, quality, and diversity of academic staff with renowned global reputation (Objective 1.2)

The UFS achieved the target for this objective. Moreover, the groundwork for the necessary initiatives was completed in 2023. It covers the various initiatives to increase internationally recognised scientists and the mechanisms for recruitment.

Developing internationally recognised scientists and reviewing institutional recruitment, employment, and reward policies

The university had 67 candidates across the Future Professoriate and Emerging Scholars Accelerator Programme (ESAP) programmes. In the Future Professoriate group of academics who were eligible for promotion to Associate Professor level, there were 30 academics of whom 18 were promoted to Associate Professor level (7 in 2021, 6 in 2022, and 5 in 2023). Additionally, in 2023, there were eight academics in the programme who applied for NRF rating, one of whom received a Y2 rating. The NRF rating process experienced delays at the end of 2023; as a result, other applicants were still waiting for feedback. It is important to note that the largest group in the 2023 cohort of 67 members were actually ESAP members, many of whom were promoted to Senior Lecturer level in the past two years and were not yet eligible for promotion to Associate Professor level.

In 2023, significant progress was made towards refining the conceptual understanding of pivotal constructs within our academic community, notably the definitions of 'internationally recognised scholar' and 'national and international footprint.' A structured effort was undertaken to cultivate an evaluation system for self-reflection on these constructs, intended for both faculties and institutional application.

The initial endeavour entailed a comprehensive comparative analysis of globally acclaimed scientists affiliated with the **foremost** universities worldwide. The following regions were identified:

- Africa
- North America
- South America
- Europe
- Asia-Pacific

Profiles of distinguished scholars from the top ten institutions served as fundamental benchmarks for elucidating the notion of an 'internationally recognised scholar.' This analysis goes beyond merely area of expertise, academic output, and citation metrics, delving into much broader dimensions. Initial data collection will be conducted across all regions, supplemented by bibliometric and altmetric insights, to be triangulated with criteria including the NRF's definition of top scholars, extensive literature review, and qualitative inputs from key stakeholders.

A **decision was made** in the Deputy Vice-Chancellor: Research and Internationalisation portfolio that, while conventional metrics such as publications and citations offer foundational insights into scholars' national and international impact, a more comprehensive framework for analysis is necessary, and its development was initiated in 2023. The framework will encompass diverse facets such as media presence, engagement in professional networks, advisory roles in policy formulation, industrial collaborations, and governance contributions. Such multifaceted analysis aims to provide a nuanced understanding of scholarly influence and societal engagement.

In relation to human resource practices, it was decided in 2023 that efforts should be invested in profiling the UFS and its faculties regarding human resources practices, encompassing recruitment, retention, development, and promotion strategies. Collaborative initiatives with stakeholders should facilitate comparative assessments and identification of both enablers and barriers, thereby contributing to policy enhancement endeavours in 2024.

Furthermore, a targeted examination of NRF-rated scientists within the university was initiated in 2023, differentiating between highly rated individuals and those poised for A rating. This cohort serves as a strategic focal point for career advancement initiatives towards achieving higher NRF ratings. Additionally, a comprehensive

review of existing mentoring and capacity-building initiatives was initiated in 2023, drawing inspiration from global best practices while scrutinising internal mechanisms. Leveraging world-class resources available within the university, the main outcome of this review will be an institutionally approved strategic road map to fortify research and development endeavours.

These multifaceted initiatives are poised to facilitate benchmarking exercises at strategic management and faculty levels, with the inclusive engagement of pertinent stakeholders from support divisions. Collaborative engagements have been initiated with key stakeholders encompassing Human Resources (HR), Branding, Communication and Marketing, with subsequent engagements planned for individual faculties by June 2024. The initiatives from these engagements will yield actionable recommendations for implementation, heralding a transformative trajectory for academic excellence and institutional advancement.

All these initiatives are being championed, tracked, and monitored by the Directorate Research Development (DRD).

Ensuring that our academic offerings and practices produce desirable and successful graduates (Objective 1.3)

The UFS has achieved the targets set for this objective through various institutional projects. The Centre for Teaching and Learning (CTL) implemented several projects in 2023, which were intended to realise the institutional objective of producing desirable and successful graduates.

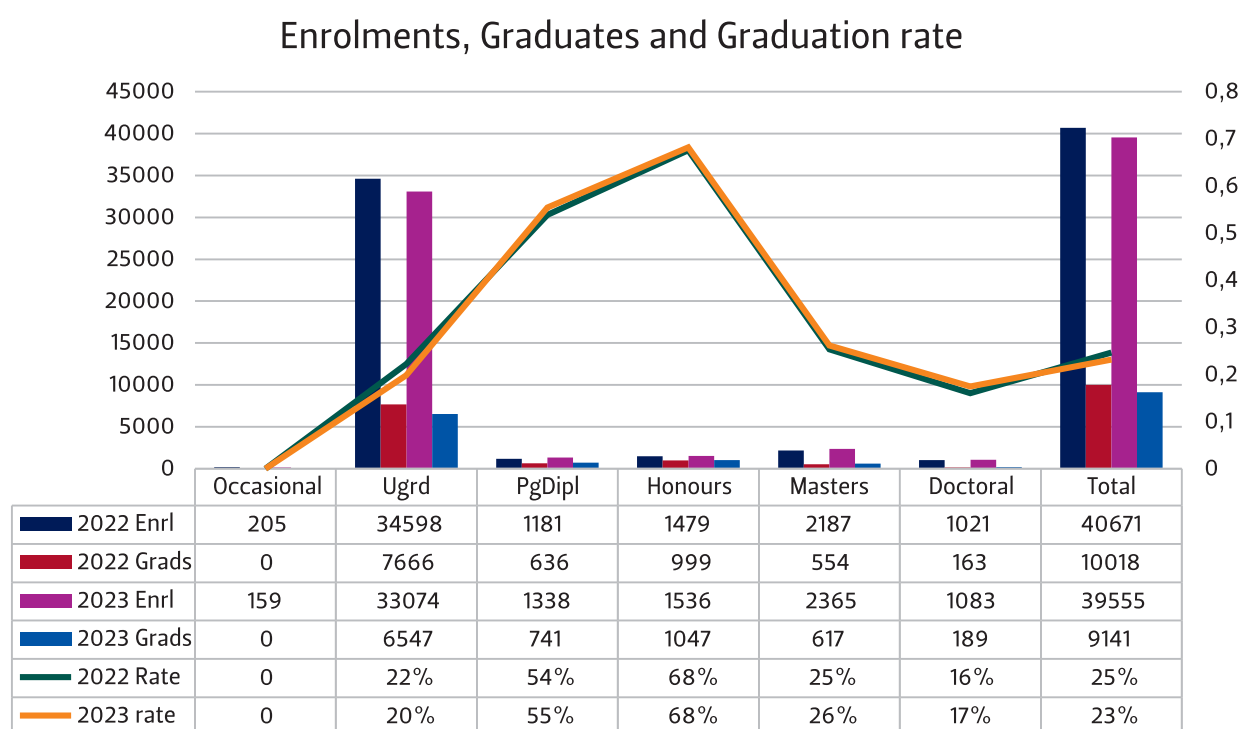


Figure 3: UFS enrolments and graduation rate for 2022 and 2023

Figure 4 below shows an increase in postgraduate graduates in 2023 compared to 2022. Postgraduate diplomas were more by 105 graduates, honours increased by 48 graduates, masters increased by 63 graduates and doctorates increased by 26 graduates. This was the highest number of doctoral graduates in a single year and there was an increase in all postgraduate numbers. This shows the institution is already making gains towards Vision 130 through increasing the postgraduate graduation rate.

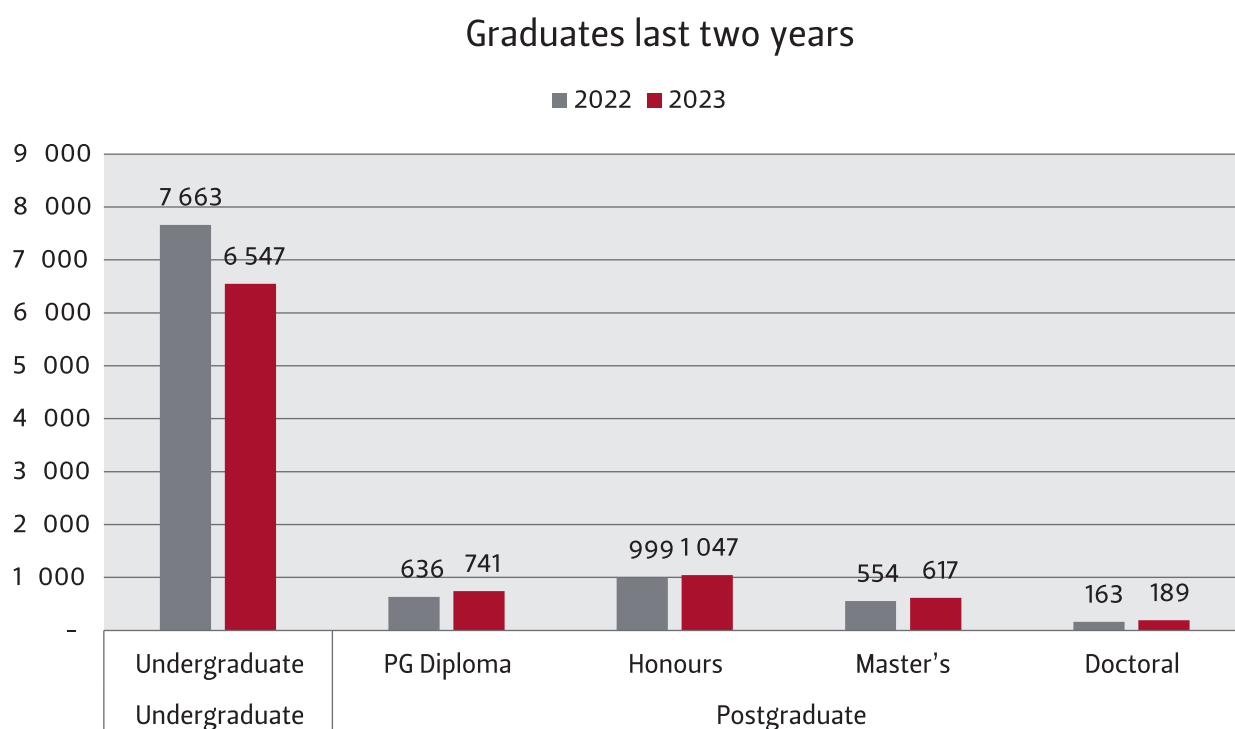


Figure 4: UFS graduates 2022 and 2023

Re-engineer curriculum development and approval processes to fully exploit opportunities presented by new advanced technologies

The UFS has an integrated digital learning and teaching environment and decision-making structures that support the exploitation of opportunities presented by new advanced technologies. The UFS digital learning and teaching environment is illustrated in Figure 5.

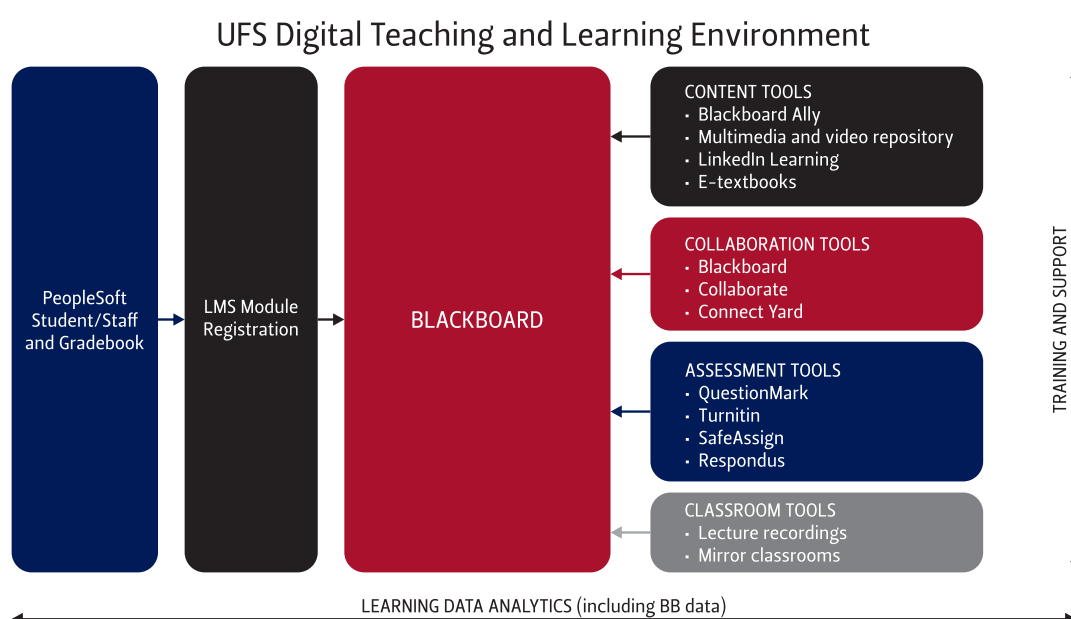


Figure 5: UFS digital learning and teaching environment

This environment is overseen by the Educational Technology and Learning Space (ELTS) Committee, established in 2021 under the auspices of the Deputy Vice-Chancellor: Academic.

The aim of this committee is to make strategic decisions to advance the utilisation of educational technologies in learning and teaching in formal or non-formal programmes at the UFS. This includes appropriate and state-of-the-art educational technology, infrastructure requirements, and adaptive systems to support and manage learning, teaching, and research both inside and outside the classroom. The UFS learning management system, online assessment systems, virtual and classroom technologies, collaborative tools and spaces, hardware, software, and applications that enable and manage these learning and teaching spaces, as well as requirements within all student laboratories form part of the scope of this committee. The purpose of the ETLS committee is to advise the Central Information Technology Committee (CITC) and Rectorate on all matters related to the needs of academia pertaining to all educational technologies and learning spaces, by following an evidence-based approach and in consultation with the faculties, ICT Services, Finance, and other relevant stakeholders.

In 2023, the software, online applications, and institutional learning and teaching systems were discussed and approved by the ETLS committee, summarised in Table 9.

Table 9: Summary of software, online applications, and digital learning and teaching systems approved in the ETLS Committee

Project/Request	Short description	Custodian
1. Class Collaborate	Class Collaborate upgrade pilot Class 2.0 is a next-generation virtual classroom that offers users an improved, simplified user experience with flexible layouts, giving instructors and learners more space to view content and multiple tools simultaneously.	CTL
2. Attendance tracking	In the Faculty of Health Sciences (FoHS), students must attend 80% of class sessions and 100% of clinical sessions, with attendance data playing a crucial role in accreditation, and exam admission committees using it to regulate student access to examination opportunities, leading to the extension of this requirement to all faculties in need of a similar attendance management tool.	Health Sciences
3. ConnectYard review	ConnectYard provides an engagement platform that seamlessly integrates with Blackboard, along with numerous other learning systems , and allows for anytime, anywhere communication and collaboration across a wide variety of social and mobile technologies, including WhatsApp, Twitter DM (X), Facebook, and SMS to name a few.	CTL
4. LMS review	In 2021, the UFS signed a five-year contract renewal with Blackboard as the institutional LMS, with approval obtained to initiate a formal review process in year three of the contract (starting 2024) – a process endorsed by rectorate, ETLS, and CITC. In preparation for the review, the UFS benchmarked with other national institutions, emphasising the significance of a well-managed and documented process, with some universities using PURCO for assistance in similar review processes.	CTL
5. IPC Africa	Enhancing infection prevention and control in Africa through virtual reality.	Health Sciences
6. LinkedIn Insights	LinkedIn Talent Insights gives access to real-time data on talent pools and companies around the world . It enables elevated talent acquisition strategies.	CTL
7. Classroom engagement tools	Since the beginning of the year, CTL and ICTS have received numerous requests for classroom engagement tools, such as Kahoot, Mentimeter, and Poll Everywhere. This is because these tools, which allow for interaction using devices such as laptops and mobile phones, are considered essential for creating dynamic and interactive learning environments, with the previously used Turning Point having limitations and cost inefficiencies for large-scale implementation.	Various faculties
8. Panopto	Panopto is a cloud-based video streaming and lecture capture system that facilitates the streaming, recording, and sharing of videos, allowing for the capture of screen, audio, and/or video from various devices to record live lectures, presentations, demonstrations, and supplemental materials, with the option to upload and share previously created videos via link or embedding into learning management systems (LMS).	CTL

Project/Request	Short description	Custodian
9. Panda pilot	Panda is a web-based application to support mental wellness.	School of Accountancy
10. RadPrimer	RadPrimer, presented by Elsevier, is a globally recognised interactive electronic educational platform for diagnostic radiology, offering registrars a fully interactive and adaptable learning experience that can be self-paced to manage individual cognitive loads.	Health Sciences
FeedbackFruit	FeedbackFruit is designed to stimulate interaction between students and lecturers. This is done through engaging learning activities such as interactive videos, discussions, assessments, and peer feedback in their LMS.	CTL and EMS
Leapfrog	Leapfrog Geo is a geological modelling software developed by Seequent, a New Zealand-based company specialising in geoscience software and solutions. Leapfrog Geo is designed to assist geologists, geophysicists, and other earth scientists in the creation and visualisation of geological and geophysical models.	Department of Clinical Imaging Sciences
FORDISC and ADBOU	FORDISC, an interactive Windows-based program, classifies adults by ancestry and sex using standard measurements, incorporating new features such as expanded measurements, groups including Howells' worldwide cranial data, data import capabilities, outlier checks, and an improved pictorial guide; meanwhile, ADBOU uses transition analysis to estimate age based on skeletal indicators.	Department of Clinical Imaging Sciences
dBase 2019	dBase is a 32-bit rapid application development (RAD) environment for creating powerful database applications and data-driven web applications. It features flexible interactive database administration tools, an advanced third-generation object-oriented programming model, and a high level of backward compatibility.	Department of Animal Science
15. Remark OMR	Remark OMR's primary function is to scan and capture the optical marks on the multiple-choice scoring sheets and then save this into an output file for further analysis. This can be done using any document scanner.	ICT
16. Spectrum	Spectrum Eyecare Software is a specialised computer program tailored for eye-care professionals, offering comprehensive tools for efficient practice management, including patient management, appointment scheduling, clinical charting, billing, inventory management, and reporting.	Health Sciences
17. Micromine	Micromine is a software solution designed for the geological and mining industries. It is a powerful software that enables exploration and mining companies to efficiently capture, manage, and interpret critical mining and geological data. The software offers a comprehensive suite of tools for geological modelling, mine design, resource estimation, and production data management.	Department of Geology
18. Cami Reader	Cami Reader is a complete reading and language system that helps learners/students become fluent and proficient readers.	School of Accountancy
19. MusicPlayOnline	MusicPlayOnline is software that allows access to music education curricula, including lesson plan ideas, songs, various methods, and sequences for teaching general music education and recorder.	Odeion School of Music
20. Beth's Notes	Beth's Notes: A key approach used in teaching Music Education subjects is that of 'Orff Schulwerk'.	Odeion School of Music
21. Teachers Pay Teachers	Teachers Pay Teachers is a platform where teachers can upload lesson plan ideas, PowerPoint presentations, and printables for all school and extracurricular activities.	Odeion School of Music
22. Listen & Learn Music	Rachel Rambach's Listen & Learn Music is a platform where songs and activities can be found within various categories. These resources answer to the skill development of music learners and students, as they can be adapted to whichever educational setting the lecturers or students find themselves in.	Odeion School of Music
23. Smartsheet.com	Smartsheet allows users to capture and track your plans, resources, and schedules. Smartsheet offers a rich set of views, workflows, reports, and dashboards to adapt to your needs – from projects to multi-faceted company-wide initiatives.	School of Accountancy
24. VideoScribe	Videoscribe is a whiteboard animation software used to create videos on lecture material.	School of Accountancy

Project/Request	Short description	Custodian
25. Waking Up subscription	Waking Up is a meditation tool that can assist in relieving stress, sleeping better, or improving focus. It can open the door to a deeper understanding of yourself and a new way of being in the world.	School of Accountancy
26. Slido	Slido is commonly used for conferences, webinars, workshops, and meetings, and is designed to enhance engagement and participation among attendees. With Slido, organisers can create interactive sessions allowing attendees to ask questions, vote on topics, and provide feedback via mobile devices or laptops.	Social Sciences and Commerce Education
27. Blender	Blender is a free and open-source 3D computer graphics software toolset used for creating animated films, visual effects, art, 3D-printed models, motion graphics, and interactive 3D applications.	Quantity Surveying and Construction Management
28. Online assessment review	The Questionmark contract, set to expire in 2023, faces usability challenges that hinder further implementation, prompting a 2022 faculty needs analysis to understand online assessment use and challenges, leading to the approval of a formal tender process for reviewing the UFS online assessment platform by ETLS and CITC based on the analysis findings.	CTL
29. Funding and sustainability of educational technology	Funding and sustainability of educational technologies within higher education institutions have become a critical issue to ensure innovation and implementation of technologies in a budget-constrained environment. There are currently no guidelines within the UFS on how provision should be made for the procurement and licensing of educational learning technologies within project, departmental, and institutional ICT budgets.	CTL
30. ETLS submission template	In collaboration with stakeholders (CTL/ICT Services/Finance), a template for ETLS submissions has been developed. This would guide the evaluation of all submissions that serve at ETLS (and are referred to CITC and rectorate) going forward.	CTL

The utilisation of technology within the teaching and learning environment has received institutional support. This is also made explicit through the digitalisation strategy of the university. Applying for funding also monitors the implementation of funded projects; a collaboration with stakeholders (CTL/ICT Services/Finance) resulted in the development of a template for ETLS submissions. This would guide the evaluation of all submissions that serve at ETLS (and are referred to CITC and rectorate) going forward.

Moreover, funding and sustainability of educational technologies within higher education institutions has become a critical issue to ensure innovation and implementation of technologies in a budget-constrained environment. There are currently no guidelines within the UFS on how provision should be made for the procurement and licensing of educational learning technologies within project, departmental, and institutional ICT budgets. This is a notable challenge within the institution that requires attention for better strategy implementation.

Review academic support for students transitioning from under- to postgraduate curriculum relevance

The No Student Left Behind (NSLB) initiative was implemented to identify and contact students who were inactive on Blackboard to ensure that they received the necessary support to continue with their studies during the pandemic. During 2020 and 2021, the NSLB analyses identified around 6 500 students in need of support and enabled 99% of students to participate during emergency remote learning and teaching. The initiative works on a high-tech-high-touch approach: data analytics are used to inform a contact centre, where trained peer advisers contact students directly to identify and respond to their support needs. The peer advisers capture data, which in turn is analysed to inform the analytics and to refine the process.

The success of the NSLB initiative has resulted in Track Your Success (TYS) – an initiative that forms part of a bigger collaborated funding programme between the UFS and the Michael and Susan Dell Foundation and aims to reach up to 6 000 students per year and to significantly impact the time it takes students to graduate by proactively contacting and nudging those at risk of failing or delaying their studies. YYS has two legs – one focusing on rapid response based on student behaviour, and one focusing on consistent factors that enhance success. An example of the cyclical nature of the rapid response leg is illustrated in Figure 6.

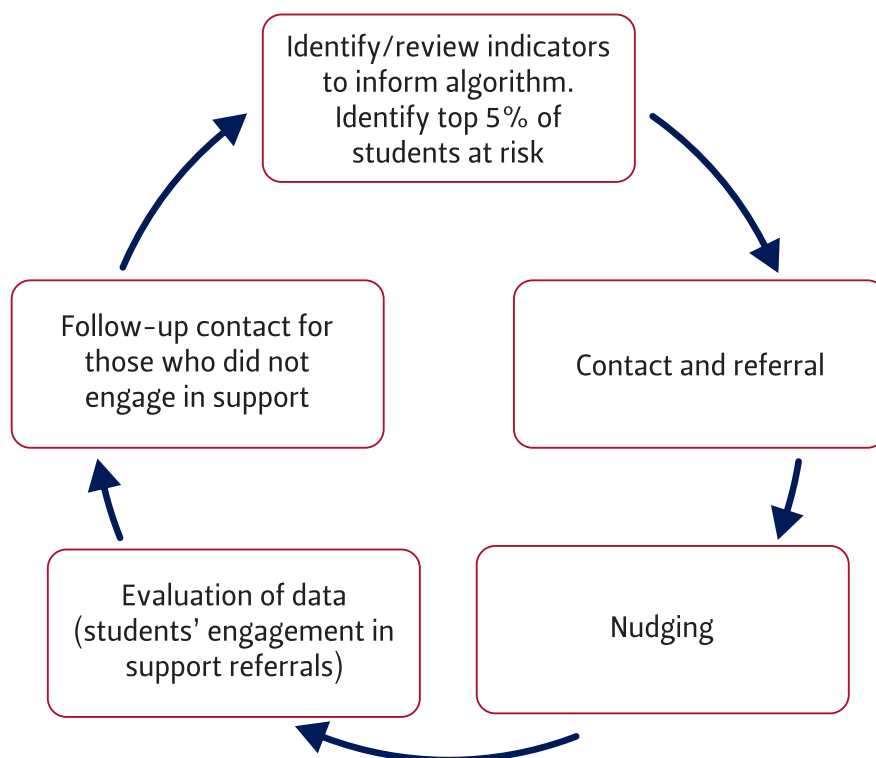


Figure 6: The Track Your Success Project

Review all modules, with a particular focus on enrolment patterns and curriculum relevance

The Centre for Teaching and Learning rolled out the Curriculum Renewal Programme (CRP), an intensive curriculum development training programme that aims to create an environment for academic staff to redesign their modules by considering the purpose, their students, and the UFS context through good curriculum design. The CRP also enables academic staff to consider the relevance of curricula. Since the CRP was rolled out at the UFS in 2021, a total of 261 academic staff members participated in the programme. Through the CRP, academic staff compiled an updated syllabus for a module they teach. Feedback received from participants was overall positive, with the majority indicating that they had learned something that they could apply in their teaching. In addition to the CRP, developing and mapping graduate attributes in the curriculum creates opportunities and space for renewing curricula at the UFS.

In relation to the strengthening of Faculty Advisory Boards, the framework for their reporting has been approved, and therefore the reporting of faculties to the Academic Committee (AC) will start in March 2024.

3.1.3 To promote an environment of agility, flexibility, and responsiveness based on trust and accountability (Goal 2)

The UFS has achieved one indicator target set for this goal but underperformed in relation to the other two indicators, while one indicator is not applicable because its base line and target had not been set by the time the 2023 APP was approved by the Council. However, the institution is committed to accelerating the academic workload and resource allocation project to inform the reduction of academic departments with less than desired academic staff numbers. Also, in relation to UFS management staff who access business intelligence platforms.

Ensuring the policies, systems, processes, and practices are appropriate, effective, and efficient (Objective 2.1)

In 2023, 11 processes associated with policies most critical to giving expression to Vision 130 were reviewed and funded by the Digitisation Committee to ensure digitalisation and reduce the number of institutional processes operated manually.

In relation to delegation of authority for the critical processes, sessions were convened with all the relevant stakeholders based on the Rectorate portfolios, including the faculties, to present the guidelines, principles, and template for delegation of authority. The sessions were convened from 30 October to 1 December 2023, with the request to all relevant stakeholders to populate the relevant information on high-level delegation of authority from their respective portfolios/divisions, based on the existing policies, procedures, and rules and regulations. In 2024, all collected information will be analysed, aggregated, and consolidated into a single institutional Delegation of Authority document, comprising all feedback to be workshopped among stakeholders.

Ensuring appropriate academic structures as well as management and leadership capacity (Objective 2.2)

The UFS has not achieved either of the two indicators set for this objective. The principles for establishing academic departments have been drafted, even though they still have to be approved. Much success has been experienced in relation to the revision of the research support structures. However, more needs to be done in relation to defining management and leadership requirements per faculty. The university commits to building on the work already done towards achieving the objective.

Principles to establish academic departments and revision of research support structures

The UFS has drafted the principles of establishing academic departments in 2023. This will be presented in draft form for consolidation and approval in 2024. In relation to research, a consultation process was followed in 2023 with all the deans at the UFS to discuss the suggested Research Cohort model as a method to create a supportive environment for all researchers. With the feedback and inputs received from the deans, further interactions were held with the other support services in the Research and Internationalisation portfolio. The inputs of the Library, Directorate Research Development (DRD), and International Office were obtained and incorporated into the final draft of the Research Cohort proposal. The proposal highlights an alignment of the SDGs, international, national and Africa MOUs, and the research focus areas of the various faculties will be the starting point for developing and implementing the Research Cohort model. Thereafter, industry partnerships and internal and external mentors will be contracted to participate in these cohorts. Senior and junior colleagues, postdoctoral scholars, PhD as well as master's students will be identified to support the drive for research outputs and networking in the various research cohorts.

The university intends to start in 2024 with the process of defining management and leadership requirements per faculty, the capability audit, and identification of gaps.

Leveraging the use of digital technologies, business intelligence, and analytics to enable evidence-based decision-making (Objective 2.3)

The UFS did not achieve the set indicator target for this objective, while notable progress was made in the implementation of the business intelligence (BI) system with integrated data points. In 2023, 10 project milestones were identified as significant contributors towards the success of the BI project. A list of progress per milestone is presented in Table 10 below.

Table 10: Summary of progress per milestone in 2023

	Major milestones	Progress to date
1	ODS provisioned with required DIRAP data	51%
2	Stakeholder engagements	75%
3	Human Resources (HR) data	40%
4	VTESANSO specification	100%
5	Contract with Altron	Continuing
6	Altron resources to assist during implementation	0%
7	Data dictionary	50%
8	VTESANSO (optimisation)	100%
9	Quick wins in the as-is scenarios	80%
10	Times Higher Education – additional data points	50%
	Overall progress on project plan:	

Stakeholder engagement sessions emerged as a pivotal milestone of the project, fostering collaboration, and creating the space for users to express their requirements in terms of data and reporting. A template was developed for the second round of user engagements to document detailed user requirements. The figure below illustrates the progress made on engagements with all business units at the UFS.

The next steps include engagements with identified stakeholders. These engagements are expected to be completed by the end of February 2024. Thereafter, the specification documents on proposed changes, enhancements, and new requirements will aim to be completed by June 2024.

Advancing a transformational institutional culture that demonstrates the values of the UFS (Goal 3)

The university achieved seven KPI targets set for 2023 out of the nine KPIs. The performance of two KPIs cannot be reported on, because as new indicators, their baselines and targets had not been set at the time the 2023 APP was approved by Council. The targets for the seven indicators measure performance in relation to the goal of advancing a transformational institutional culture that demonstrates the values of the institution.

Creating a vibrant space for, and acceptance of, constructive and critical engagement (Objective 3.1)

The UFS has performed well in relation to the objective of creating a vibrant space for, and acceptance of, constructive and critical engagement. The activities included developing senior management training programmes, a review of committee structures, and promoting dialogue sessions.

Tailor-made senior and middle management training programme(s)

Specific programmes were developed in 2023 by the Department of Human Resource (HR) to address the specific needs, challenges, and goals of senior and middle management training within the higher education environment. The development phase for the three leadership programmes has been finalised (Academic Leadership Programme for HODs, Engaged Leadership Programme, Supervisory Training Programme). The process involved input from key stakeholders to identify competencies and skills required for effective leadership at various levels. The programmes will be implemented from 2024 and will also be linked to the succession management programme to cultivate a pipeline of skilled leaders who are equipped to navigate complex challenges, drive innovation, and contribute to the long-term sustainability of the UFS. Additionally, the training programme for deans is on track for completion from January 2024.

Review of committee structures to ensure alignment with Vision 130

In relation to Council committees, annual workplans aligned with the remit of each committee were developed in 2023 and submitted to the relevant committees to recommend to Council for approval. All Council committee meetings had revised remits by the end of 2023 and updated their annual workplans, which assists the committees to concentrate on specific items/matters during each quarter of the year. This exercise of developing annual workplans will be extended to the Senate Committee during the course of 2024, and later to management committees.

Promotion of future-centric dialogue within the university community and beyond

The Unit for Institutional Change and Social Justice (ICSJ) framed its work in 2023 to contribute to the realisation of Vision 130. Therefore, the cornerstone task for 2023 was to close out the long-running work of 'normalising' naming and renaming – ensuring that names, symbols, and spaces would be taken from a crisis paradigm. The task was to reframe these matters, which bear strongly on how people can enjoy productive senses of belonging, within a 'tactical' and 'strategic' framework. In September 2023, this was ceremonially celebrated as the culmination of a programme that showcased the re-imagined symbols and spaces of the university. The September programme memorably involved, among other events, the presentation of an original stage adaptation of Sol Plaatje's classic, *Mhudi*, which poses insights and questions relevant to the university's own search for inclusive and flourishing forms of communing.

Furthermore, the work of the unit on names, symbols, and spaces was underpinned by a range of interventions directed at inculcating the values of the university to reconstruct the fabric of the university's culture. In other words, the unit understood that it would be impossible to find a full and satisfactory practice of inclusion by pursuing the ideal of perfect changes in names, symbols, and spaces. Instead of advancing this Quixotic task, the unit advanced an ambitious yet feasible praxis of restorative justice. It systematically brokered a symbolically adequate set of changes in the names, symbols, and spaces of the university – one that would be acceptable for the purposes of enabling members of the university's communities to focus attentions on the socially impactful work that the university dedicates itself to with its Vision 130. In addition, the values, symbols, and songs of student residences were re-imagined and renegotiated to reflect the change. This was the basis for the September 2023 ceremonial activities.

The integrated approach demonstrated above was also integral to how the unit continued to play a significant role in the articulation of gender justice and a non-discriminatory culture. The Gender Equality and Anti-Discrimination Office continues to play a leading role as an advocate for this after the remodelling of the way in which sexual offences are managed. The Sexual Offences Response Team was established under the chairpersonship of the unit. This team coordinates responses, reporting, and actions aimed at preventing sexual offences. Coordination by the team is seeing progress in reducing the time to prosecution or closure of cases. An important shift brought about by this realignment is that the UFS is continuously reducing the time it takes to finalise reported sexual offence matters. Another important shift in 2023 was that there was an increasing emphasis on the coordination of the preventative efforts involving various divisions of the university so that the greatest possible impact would be achieved in an integrated manner.

Becoming an institution of choice for exceptional students, academics, and support staff (Objective 3.2)

The UFS achieved the planned activities in relation to this objective. The marketing strategy was reviewed and the re-conceptualisation of student recruitment at the university will continue into 2024. The university is committed to updating the policy for recruiting academics in early 2024 and for recruiting students.



Reviewing the marketing and communication approach of the institution

The review of the university's marketing and communication approach was done in 2023, and a draft of the revised strategy will be discussed for approval and implementation from 2024. The process included revising the role of the Reputation Management Forum (RMF), which was completed in 2023; the amended format of the RMF will be implemented in 2024.

Employ and promote a diverse, professional, and talented academic and support staff complement

The university initiated a policy update in order to capture this as a requirement. For example, to ensure that advertisements for lecturer positions across the university reflected registration for a PhD as a prerequisite for employment at the institution. The idea being that over time, the university will have a great majority of academic staff with PhDs. However, there has been little movement since the policy update process was initiated in the first quarter of 2023. This forms part of the institutional activities that will receive serious attention in 2024, since it has a report effect on other strategic institutional activities.

On the other hand, the UFS employment policy and procedures to ensure recruitment and retention of professional support staff were reviewed and approved by Council in 2023 for implementation in 2024. This is meant to ensure that the UFS has a professional support staff complement that supports the Academic Project and promotes an inclusive and vibrant work ethos.

Moreover, recruiting and retaining professional support staff is paramount to fostering an environment that strengthens the Academic Project, while championing inclusivity and a vibrant work ethos. The implementation of robust recruitment strategies assists in identifying individuals who are aligned with the institution's values and have the necessary skills to enhance academic initiatives. Equally important is retaining this talent by prioritising continuing professional development, creating pathways for career advancement, and offering competitive remuneration. Furthermore, fostering an inclusive workplace culture is essential in promoting collaboration and innovation among support staff. In 2023, this involved implementing diversity and inclusion training, and providing resources to support the needs of a diverse workforce. Consequently, a vibrant work ethos is created by engaging staff in meaningful projects and fostering a sense of belonging. Moreover, open communication channels and soliciting feedback also ensure that the university support staff feel valued and empowered to contribute to the Academic Project.

Reconceptualise student recruitment and commence with the implementation of a new approach

The concept document was presented to the Rectorate in August 2023 and received positive feedback. Student Recruitment Services continued to engage with the relevant stakeholders to reinforce the Rectorate decision on the multi-stakeholder approach in relation to this matter, as well as to develop a remit for a management forum comprising all the relevant stakeholders to discuss student recruitment and marketing strategies and report back to the Rectorate/University Management Committee. Hence, the concept document will be presented to the University Management Committee (UMC) during the first quarter of 2024.

Becoming a home for staff and students from diverse backgrounds (Objective 3.3)

The UFS has over-achieved the target indicators for this objective and the respective activities set out for 2023 as discussed below.

Improving student accommodation and student life to promote a sense of belonging and well-being

First-year student orientation and welcoming

The UFS established the First-Year Experience Committee (FYEC) in 2020; it is a multi-stakeholder committee that designs, monitors, and evaluates holistic and integrated support to first-time entry students during their transition to higher education. To this end, the FYEC implemented and monitored the following 10 priority projects in 2023:

1. First-Year webpage on the UFS website
2. Virtual orientation programme delivered via the UFS' learning management system
3. An automated chatbot programmed to answer students' most prominent questions
4. Faculty-specific orientation sessions to provide students with faculty-specific information
5. Inspirational moments, including a Dream Walk, sports and culture events
6. Peer Mentor programme
7. Welcoming programmes in student residences
8. A Vice-Chancellor's plenary welcoming event
9. Digital Competency programme
10. Library and campus tours.

The FYEC follows an extensive monitoring and evaluation plan and publishes an annual report to uphold data-informed decision-making.

Student food support

In 2023, the UFS distributed a total of 10 544 food parcels on the three UFS campuses. The total value of these food parcels was R3 450 000. Table 11 below outlines the breakdown per campus in this regard. The food support distribution to students was supported and monitored by the UFS Food Environment Technical Committee (FETC). It is a multi-functional institutional committee that determines, monitors, and evaluates projects related to the UFS food environment. Hence, the FETC oversees food support programmes, the planting and distribution of fresh vegetables, and educational programmes.

Table 11: Food parcel distribution in 2023 per campus

Bloemfontein Campus	South Campus	Qwaqwa Campus
7 927	855	1 751

Addressing gender violence

The Division of Student Affairs (DSA) established an Engaged Scholarship focus area in 2023. To this end, the DSA used Participatory Action Learning Action Research (PALAR) to facilitate student-led projects in collaboration with multiple stakeholders in and outside the UFS. One particular project focused on eradicating gender-based violence (GBV).

The KoviesCare GBV Campaign, launched in 2023, aimed to consolidate efforts against gender-based violence (GBV) across all three campuses of the UFS. Spearheaded by the university's Department of Communication and Marketing, the campaign focused on themes of care, embrace, and connectedness. A group of 19 passionate student volunteers, known as KoviesCare GBV Ambassadors, actively participated in the initiative. A pivotal event on 22 September 2023 saw collaboration between various UFS departments and external stakeholders, including the university's Protection Services and the South African Police Service (SAPS). Attendees engaged with support services, received informational materials, and witnessed performances aimed at raising awareness. Plans are underway to create educational content featuring student voices. Recommendations from volunteers included hosting dialogues in male residences to address GBV mindsets, providing bystander effect training through the Student Experience Office, and considering the creation of supporter T-shirts to foster solidarity in future campaigns.

Housing and residence affairs

In 2023, the UFS had a total of 34 junior residences – 21 on the Bloemfontein Campus, 10 on the Qwaqwa Campus, and 3 on the South Campus. The management of each residence comprised a residence head and an elected/appointed residence committee. All junior residences and day houses (which give off-campus students an opportunity to participate in organised residence life activities) were organised into colleges, with a college coordinator (full-time



residence head). Off-campus accommodation establishments were, for the first time, allocated to day houses to form part of the college environment and participate in residence life activities. Through careful planning and in the face of severe financial challenges, the Department of Housing and Residence Affairs (HRA) attended to residence upgrades and other smaller projects in 2023, such as the following:

- The installation and construction of a new heat plant
- The replacement of hot-water pipes
- The complete upgrading of bathrooms and kitchens at four residences
- Roof damage repairs
- The replacement of blinds
- The installation of rainwater gutters, etc.

Through the processes of accreditation in Bloemfontein, the university succeeded in ensuring that the facilities in off-campus accommodation where UFS students resided, met the requirements of the Policy on the Minimum Norms and Standards for Student Housing at Public South African Universities. In 2023, inspections were conducted at 612 addresses with a total of 7 240 beds. By 2023, there were 1 542 provisionally accredited student addresses, with 667 service providers and a capacity of 16 345 beds. Regarding accredited off-campus residences, there were 30 service providers in 2023, with 59 student addresses and a capacity of 4 215 beds. In Bloemfontein, this brought the total to 20 560 beds, 1 601 student addresses, and 697 service providers.

On the Qwaqwa Campus, there are no accreditable private accommodation facilities or accommodation that meets the requirements of institutional policy as noted above. As a result, a system of verification was employed in relation to off-campus student addresses, with a view to verifying a residence's existence, the bed space, basic amenities, and ablution facilities. A total of 628 service providers were verified on the Qwaqwa Campus in 2023, with 6 510 beds.

The above projects were intended to ensure that off-campus students reside at accredited or verified accommodation facilities in acceptable condition to support a decent student life.

Student health and wellness

The Health and Wellness Centre consists of divisions such as Kopsie Health and the HIV Office, all under Student Affairs.

In 2023, primary health-care services were rendered to registered UFS students. A holistic approach was followed during consultations, focusing not only on the main complaint, but also to screen for possible non-communicable diseases and to provide treatment, education, and support to ensure students returned to class as soon as possible and were aware of unhealthy behaviour.

HIV support was provided to HIV-infected and -affected students. The number of students who form part of this group has increased over time, and it was decided to start chat rooms – apart from the continuous support provided to these students. A dedicated professional nurse is responsible for the support group, but students were also trained to provide peer-to-peer support.

Becoming
an institution
of choice for
exceptional
students,
academics,
and support
staff

Furthermore, the HIV Office was responsible for several awareness campaigns, where the focus was not only on HIV, but also included screening for non-communicable diseases, men's and women's health, sexual reproductive health, and mental health – to name just a few. These awareness campaigns were done in collaboration with various stakeholders, both internally and externally. To increase internal and external engagement, a very successful men's conference was hosted for the second consecutive year and was attended by Higher Health delegates, including Prof Ramneek Ahluwalia, CEO of Higher Health (HH).

Student counselling and development

The Department of Student Counselling and Development (SCD) offers free services to all registered students on all three campuses of the UFS. The staff complement consists of clinical and counselling psychologists, registered counsellors, counselling psychology interns, and administrative staff.

In 2023, the services provided included individual, confidential counselling in various psychological, emotional, and developmental issues, with the aim of supporting students in the resolution of challenges that would have impeded the fulfilment of their potential. Individual sessions were held with students on an appointment basis. Although SCD moved to mainly face-to-face sessions after the lockdown, students could still choose from the following counselling platforms:

- Telephonic counselling
- Online video counselling
- Face-to-face counselling

Table 12: Reflection of sessions 2023

Totals for all campuses	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
Total sessions booked	38	367	708	635	971	857	476	804	764	901	741	36	7 298
Total sessions attended	30	267	493	416	635	488	270	491	526	548	449	30	4 643
Difference	8	100	215	219	336	369	206	313	238	353	292	6	2 655
Cancelled by student	3	36	68	82	106	105	67	90	66	114	56	0	793
Cancelled (other)	2	25	41	23	61	51	37	89	7	55	23	0	414
Missed by students	3	39	117	89	173	214	94	129	159	191	203	3	1 414
Total	8	100	226	194	340	370	198	308	232	360	282	3	2 621
New students booked	24	206	268	173	302	221	81	185	175	192	134	0	1 961
New students attended	23	161	210	129	227	149	61	151	142	145	107	0	1 505

The table shows that students on all three UFS campuses were active in seeking assistance through the Counselling office. Therefore, dealing with their personal challenges with the assistance of a professional.

Table 13: Reasons for visiting SCD 2023

TOP 10 REASONS FOR STUDENTS VISITING SCD		
1	Overthinking	1 387
2	Anxiety	1 351
3	Depression	1 034
4	Family related	759
5	Stress	722
6	Self-esteem	696
7	Academic performance	640
8	Panic attacks	635
9	Eat/Sleep	557
10	Financial	489

The table above shows that most students seeking counselling help were affected by overthinking, anxiety, and depression. This shows that the Counselling office is critical to a better student life at the UFS. It also shows that these institutional resources were well spent.

In addition to the above, there were on-call emergency sessions providing confidential counselling for emergency-related issues (e.g., suicide attempts, suicide thoughts, trauma, etc.) and career counselling. Furthermore, there was a notable increase in the number of students assisted by SADAG in 2023, with a 27% increase from 2022 to 2023.

ER24

The management of crises within the changing climate at the UFS is an important matter that had to be revisited. Crises can manifest in a variety of ways, ranging from serious sports injuries, psychological and physical injuries, to illness and the management of the consequences of crowd unrest and disasters (such as fire in a building / residence). These types of incidents have a very specific reputational risk for the university and pose risks to students and staff. A more integrated and comprehensive emergency service was needed, especially from a service-provision, compliance, risk management, medico-legal, and legal-litigious perspective.

Despite the South African Depression and Anxiety Group (SADAG)'s telephonic and screening assistance, SCD still needed an additional team to be able to physically go to a student in case of emergency. The severity and frequency of our students' mental health challenges have increasing significantly. In most of these cases, it was evident that the assistance of a paramedic or medical professional was needed.

A pilot project of SCD with ER24 ran from 1 October 2022 for a period of six months. The pilot was so successful that a year-long contract followed. ER24 has a specific trauma counsellor on call for the UFS and a dedicated phone number has been created for this purpose. When a staff member / person identified themselves as affiliated to the UFS, a specifically tailored, limited, and authorised profile was available to the counsellor on call to assist appropriately. EMS can be at an emergency within 20 to 45 minutes – to deal with sports injuries, psychotic students, rape, emotional breakdowns, injury from crowd unrest, motor vehicle accidents, trauma after muggings and robberies, etc. This includes students who are on sport tours off campus, field and study trips within South Africa, or private students at their homes or communes. As these service providers have a national footprint, they can respond to the emergency nationwide. This has assisted greatly with service delivery on all three our campuses during crises. The UFS ER24 number could only be activated by UFS staff using authorisation numbers; students did not have direct access to this number.

Table 14: ER24 interventions

Type of service	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Group sessions	1	0	0	0	0	0	0	0	0	1	0	0	2
Trauma counselling	0	7	20	30	22	2	3	28	11	7	0	0	130
Telephone counselling	0	0	1	1	0	0	0	2	0	0	0	0	4
Total	1	7	21	31	22	2	3	30	11	8	0	0	136

Devise a staff retention strategy (including recruitment and orientation) focused on areas with high turnover, with a particular focus on newly employed academics

The UFS focused on managing staff retention, which involved implementing strategic actions to attract staff to join the university, and to retain employed staff members by keeping them motivated to remain employed and productive throughout their employment cycle. The employment life cycle is dynamic and consists of different phases, which include recruitment, entry and induction, role clarification, development, performance, and separation.

The UFS onboarding programme is an essential strategic programme for retaining staff, reducing turnover, and fostering effective and outstanding performance. In 2023, the programme provided staff members with a clear understanding of the role, work environment, and resources necessary to become engaged in their new role.

Moreover, the onboarding programme is divided into phases that take place sequentially, followed by a twelve-month onboarding monitoring.

Improving the equity profile of academic leadership (Objective 3.4)

In 2023, the Department of Human Resource embarked on the development of the headhunting and succession planning strategy. The draft strategy went through various stakeholder engagement sessions and is expected to be approved for implementation in 2024.

The activities set out to realise this goal were achieved in 2023 and the performance indicators also express that performance.

To promote stewardship and the prioritisation of institutional resources for strategic intent (Goal 4)

The university failed to achieve the only target that has a set baseline and target in 2023. The other five indicators did not have set baselines and annual targets, hence not applicable for reporting purposes in 2023. The target for this indicator measures its performance in relation to the goal of improving how to prioritise the resourcing of activities and initiatives linked to strategic objectives of the institution. However, it is important to note that activities planned for these objectives were implemented in 2023 and achieved as discussed below.

Ensuring the efficiency of the non-academic support structures and systems (Objective 4.1)

The university has achieved the activities planned, but not the indicator targets set out to achieve this objective. Hence, 11 of the 17 processes to be digitised were allocated strategic funding from the Digitisation Committee as part of the implementation of the institutional Digitalisation strategy. The progress report on each identified process was availed and discussed at the quarterly University Digitisation Committee meetings. The rest of the processes, particularly those that relate to the academic administration, have been incorporated into the System Renewal Academic Administration Project under implementation by the Registrar's Office.

Ensuring the principles of investment to enable academic excellence with particular emphasis on research and postgraduate activity (Objective 4.2)

Review resource allocation

In 2023, a critical review was conducted during the budget summit for the discussion and approval of the 2024 budget. The strategic intent was to review and ensure alignment of strategic pillars towards Vision 130 and the notion of efficiency.

The review process entailed a comprehensive assessment of the UFS' strategic priorities, academic programmes, research focus areas, and campus-specific needs. The process involved examining current resource allocation practices, including budgeting processes, funding sources, and expenditure patterns, to identify areas of alignment and areas for improvement. Furthermore, the review process also involved benchmarking against best practices and evaluating the effectiveness of resource allocation strategy in driving academic excellence, fostering innovation, promoting diversity and inclusion, and enhancing student success outcomes. Moreover, the review process facilitated transparency, accountability, and stakeholder engagement in resource allocation decision-making, fostering a culture of collaboration and shared responsibility towards achieving UFS strategic objectives.

Increasing our research and innovation competitiveness (Objective 4.3)

In 2023, initial discussions were held with the deans to introduce the envisaged activity of establishing centres of excellence and research chairs²³, outlining the approach and engagement activities that would follow. These

²³ A research centre of excellence at a university can be conceptualised as an interdisciplinary hub that fosters collaboration, innovation, and high-quality research within a specific field or thematic area. Centres of excellence are physical or virtual centres of research that concentrate existing capacity and resources to enable researchers to work together across institutions on long-term projects that are locally

discussions were aimed to solidify the concept and establish forthcoming engagement activities with each faculty, which will confirm faculty-specific criteria for capacity building and income targets within research centres of excellence and research chairs in 2024. Additionally, standard criteria for the establishment of centres of excellence and research chairs were formalised in 2023 and subsequently communicated to the faculties.

In the coming year, these criteria will be tailored to each faculty's specific nature, and further engagement will take place to identify and establish processes for these centres and chairs in critical niche research areas that are aligned with the university's research agenda and strengths. Moreover, third-stream income generation is an important output from the activity and discussions with faculty deans regarding third-stream income strategies and income targets were initiated in 2023 and will continue.

Ensuring the efficiency of academic programmes, offerings, and academic support systems (Objective 4.4)

In appreciating the dynamics of the higher education environment of South Africa, which is experiencing serious financial constraints, the UFS seeks to establish ways to improve the efficiency of academic programmes for optimisation of resources. One of the key success factors in this regard is to establish the programme and qualification mix (PQM) viability index model. A PQM viability index model is a ratio-based formula/system of measurement used to assess and improve the viability, strength, and sustainability of academic programmes. During the 2023 academic year, a PQM viability index model was designed based on five (5) key elements, namely strategic alignment, relevance, quality, viability, and sustainability. The model was used to evaluate the programmes to determine their degree of viability. While many of the university's programmes could be confirmed as desirably viable, a few programmes were considered as viability vulnerable. This initial work on PQM viability forms the basis for reviewing and streamlining the PQM of the UFS and implementing relevant, corrective measures to improve the viability, sustainability, and relevance of the PQM.

The targets set out to achieve this goal, namely the indicators to measure performance, were not achieved for the one KPI that is applicable, while the activities were achieved on the other hand. In general, the 2023 APP goals were achieved apart from a few instances where challenges emerged. These areas are highlighted in the introductory overview and in the conclusion of this report.

3.2 Statement from the financial executive on the financial results

3.2.1 Statement by Council on financial sustainability

Section 3.3 provides an oversight and review of the financial sustainability of the UFS during 2022. It does so through an oversight of performance in 2023, where applicable trends are sighted and a review of the results itself is made. This is to create an understanding and providing evidence of the going concern status of the UFS being the basis on which the consolidated and standalone financial statements are compiled. This section further derives all data from the financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and the International Financial Reporting Interpretations Committee (IFRIC), and has been prepared in the manner prescribed by the Minister of Higher Education, Science and Innovation in terms of the Higher Education Act no. 101 of 1997, as amended by Act 54 of 2000. The aforementioned, read with the consolidated financial statements, conclude with the financial executive's statement on the 2023 financial results.

relevant and internationally competitive to enhance the pursuit of research excellence and capacity development. Research centres are collaborative environments that help break silos and encourage sharing of expertise, resources, and data for impactful research outcomes.

Achieve financial sustainability

Financial sustainability inherently assumes that the university will be able to provide the financial backbone to deliver on its mandate of teaching and learning, research and engaged scholarship. The university utilise a sustainability modelling, the parameters of which were set to analyse and review revenue and expenditure with the aim to maintain sufficient funding levels for the three core educational pillars.

Overview of indicators

The sustainability model developed and used consists of determinants for parameters set to fund, analyse and review Council-controlled revenue and expenditure to maintain sufficient funding levels for the three core educational pillars of teaching and learning, research and innovation, and engaged scholarship. The financial results in the context of achieving, maintaining, and enhancing financial sustainability should thus be read as an integral part of the reports on the core educational pillars, bearing in mind the institutional impact of COVID-19 and the UFS' responses thereto.

Total Council-controlled income grew by 1% per Figure 7 compared to the prior year's growth of only 15% and will be elaborated on per revenue component below.

Total Council-controlled expenditure also increased by 22% compared to growth of 16% in 2022. The growth in expenditure in 2022 was the result of normalisation following the impact of COVID-19 in 2021/22. The growth in 2023 was mainly the result of exposure to foreign exchange rates in areas such as subscriptions and licence fees, linked to increases exceeding inflation.

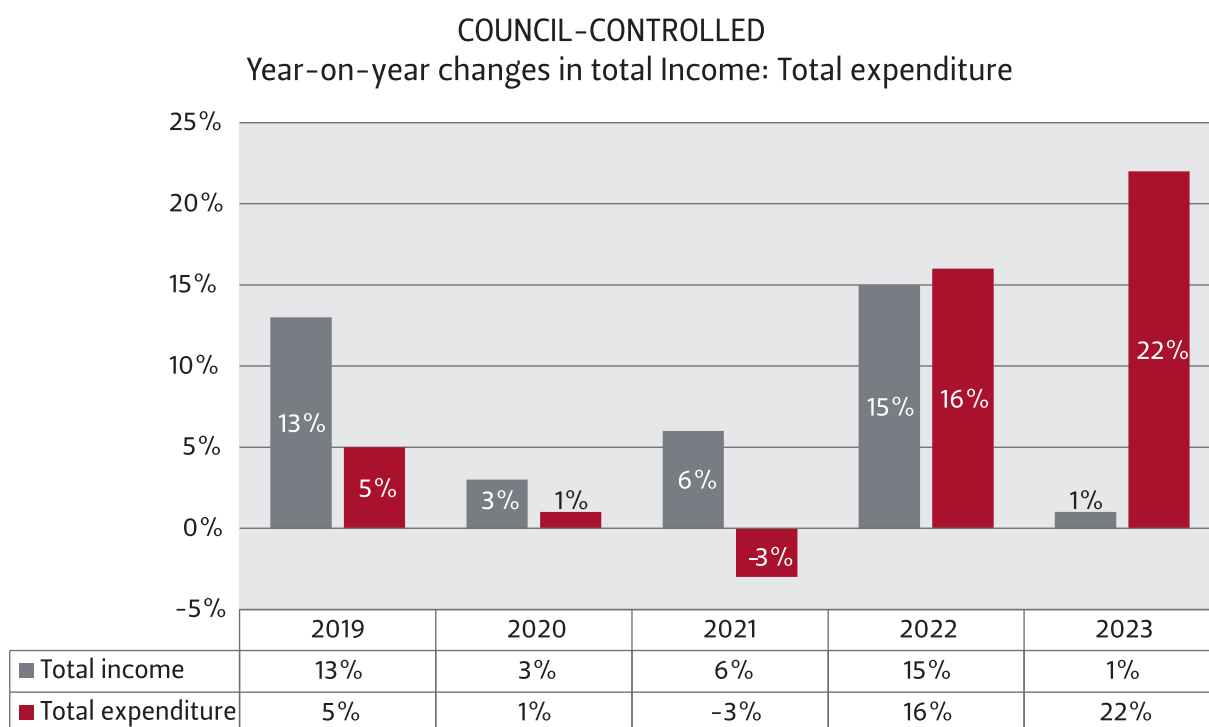


Figure 7: Council-controlled funds: Year-on-year changes in income and expenditure: Specifically funded activities

Council-controlled Income (CCI)

CCI includes state appropriations, fees, sales of goods and services, private gifts, and other income. The figure depicted below presents the total income per revenue category.

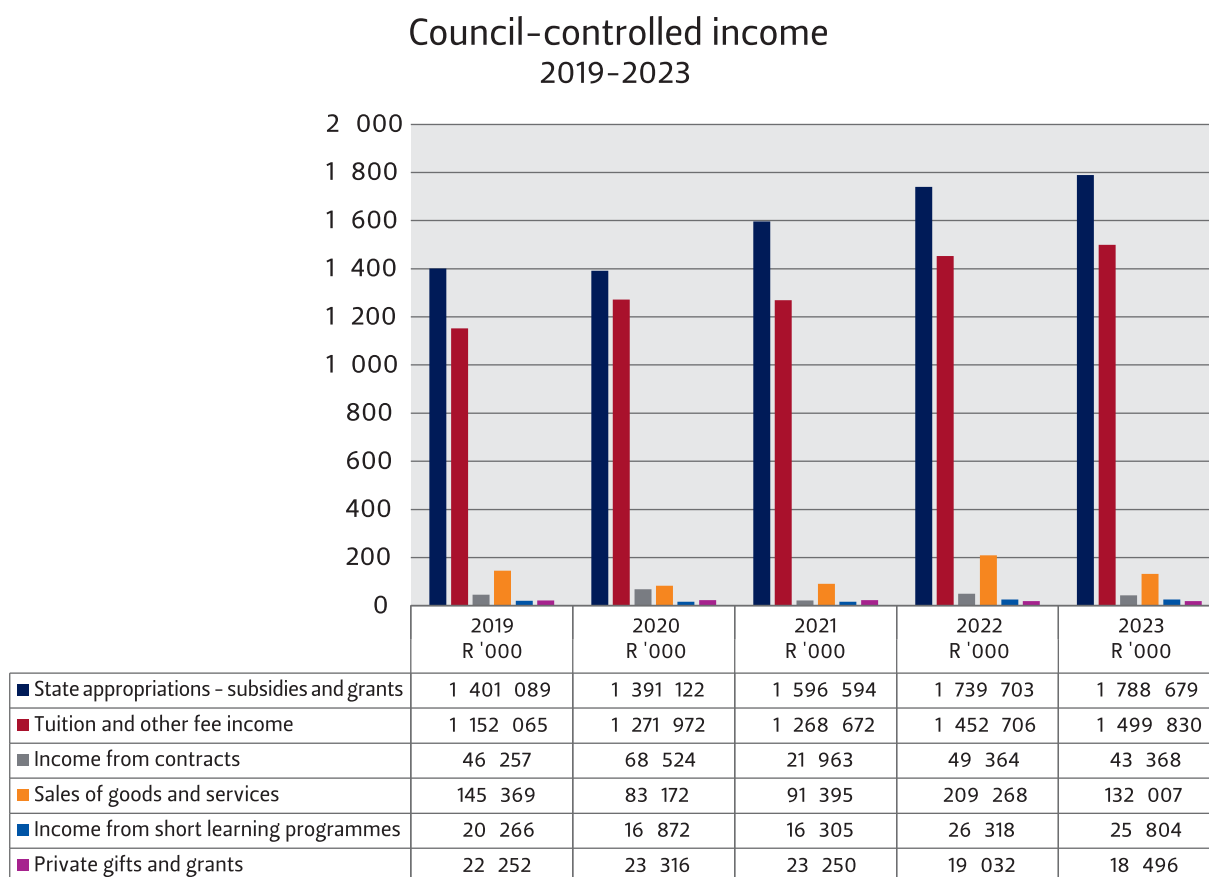


Figure 8: Council-controlled income

The state appropriations

- State appropriations increased from R1,74 bn in 2022 to R1.79 bn in 2023 as per the university's share of national funding allocation by the DHET.
- The 2023 block grant for the UFS amounted to R1,79 bn, which is 2,95% more than in 2022.
- Towards the end of 2023, the minister announced cuts in block grants and earmarked grants. The increase in the block grant is minimal compared to growth in expenditure, which is more closely represented by higher education price inflation.

Funded TIUs versus Actual TIU

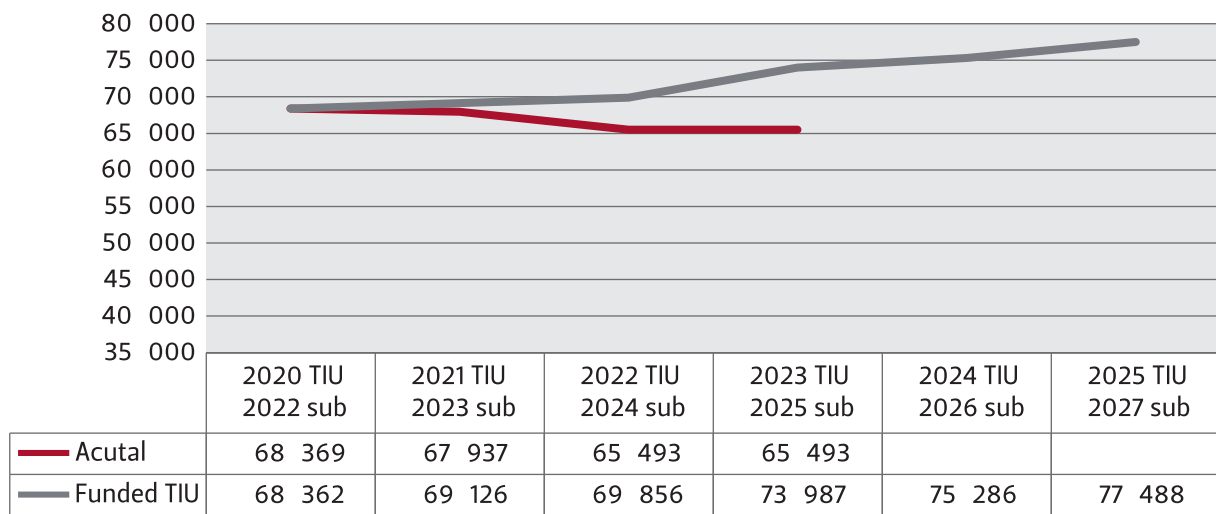


Table 15: Funded TIUs versus actual TIUs

Tuition and other fee income

Total tuition and other fee income, although separately identifiable income streams, has also become very dependent on students funded through NSFAS as per Figure 9. Tuition fees charged to students who are dependent on NSFAS funding increased from R237 million in 2017 to R1 008,807 million in 2023. This increase represents a growth in the preceding four years, from 25% of tuition and other fee income in 2017, to 66% in 2023.

This presents a challenge to the objective of improving the proportion of self-paying students.

Dependency on government funding for tuition fees

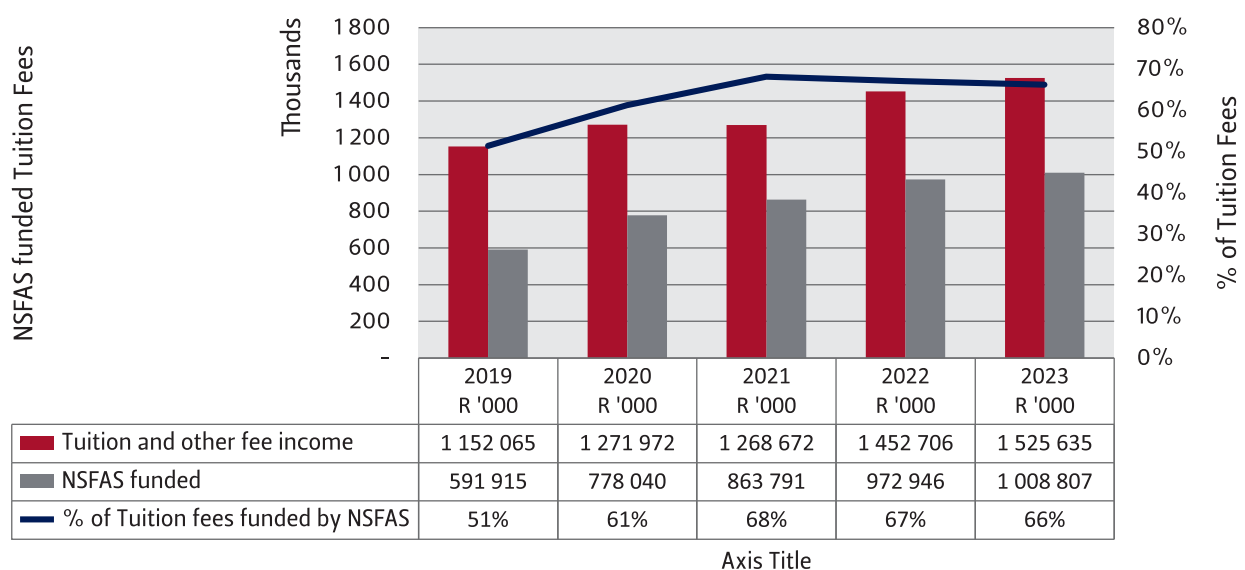


Figure 9: Tuition and other fee income from NSFAS-funded students

Council-controlled expenditure

Council-controlled expenditure consists mainly of personnel costs, operational expenditure, and depreciation and amortisation as per Figure 10.

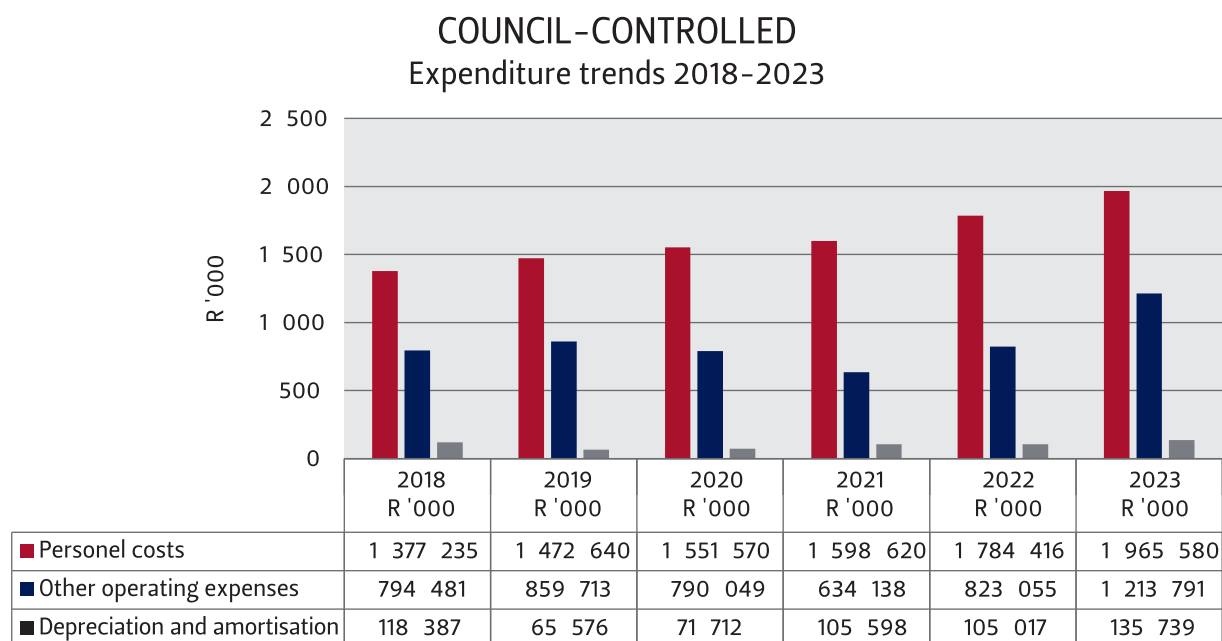


Figure 10: Council-controlled expenditure

The UFS responded to the challenges that the COVID-19 pandemic presented by instituting austerity measures in 2020. Although these cost containment measures have continued into 2021, it has been partially relaxed to stimulate growth and enable the UFS to invest where necessary to reach strategic objectives, while complying with disaster management regulations. These cost containment measures included limitations on expenses such as accommodation, expensive consumables, gifts for staff, international travel including travel within the SADC. These measures resulted in a gradual decline in operating expenditure from 2019 to 2021, during which period unutilised funds built up in faculties and support service departments. From 2022 to 2023, operating expenditure gradually increased to 37% of total income, reflecting a focus on intentional spending to stimulate growth. These expenditures were partially funded from the prior year's unutilised funds.

Personnel costs varied between 58% and 53% from 2017 to 2023, which is within the upper limit of the national benchmark. Through its financial sustainability budget model, the UFS could retain all staff while responding to the challenges within the higher education sector and ensuring sustainability.

Specifically funded activities

Specifically activities, which funds are by nature restricted in use, include all activities associated with grants other than the institutional subsidy, research contracts, and other contracts.

Income from contracts for research and other activities

The UFS is a research-led, student-centred, and regionally engaged university. In order to enhance financial sustainability, one of its KPIs is to increase non-government derived sources of income. Income from contracts for either research, teaching and learning, or other activities such as engaged scholarship, is seen as such sources.

Restricted in use, income and its associated expenditure may only be incurred in line with the accompanying terms and conditions as defined by the agreement with funders. Therefore, consideration was given to contract income to include both council-controlled and restricted income. Income from contracts decreased from the previous year by 1% to R290 million in 2023.

The current economic climate made it difficult to grow this income stream.

Earmarked grants

Earmarked grants are grants received from the Department of Higher Education and Training for a specific strategic intent. Included in earmarked grants during 2023 are the clinical training grant, university capacity-development grant, and foundation grant.

Figure 11 below further demonstrates the ratio of the earmarked grants compared to the block grant allocation from DHET.

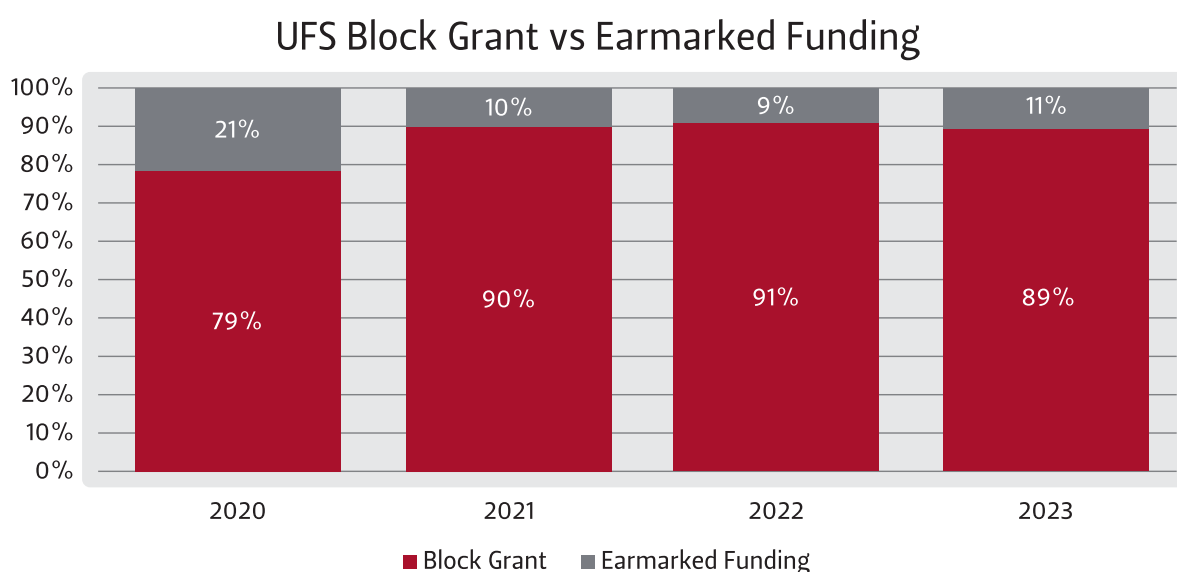


Figure 11: UFS block grant versus earmarked funding

Cash flows

The university generated sufficient levels of cash through its operational activities in order to maintain investing activities and service debt.

Statement from the financial executive on the financial results

The Public Audit Act of 2004 as amended (Act), prescribes the Auditor-General to be the external auditor of the university. The audit is currently performed by PricewaterhouseCoopers, who are also responsible for the external audit under the auspices of the Auditor-General in accordance with the requirements of the Act. Section 28(1) of the Act requires the external auditor to reflect such opinions and statements as may be required by any legislation applicable to the university, but this must reflect at least an opinion or conclusion on

(i) whether the financial statements of the university fairly present, in all material respects, its operations and cash flow for the period which ended on 31 December of each year, in accordance with the applicable financial framework and legislation;

(ii) the university's compliance with any applicable legislation relating to financial matters, financial management and other related matters; and

(iii) the reported information relating to the performance of the university against predetermined objectives. The governance and management of the UFS provides assurance for financial sustainability, and the UFS has received unqualified audit reports in all of the periods included in this report.



Mse M Nel (CA) SA
CFO

3.3 Statement of Council on transformation

Vision 130 implementation

The implementation of Vision 130 was initiated in 2023 through the Strategic Plan 2023–2028 and the APP 2023. In other words, 2023 was the first year of implementing the new strategy as the institution evolved from the Integrated Transformation Plan (ITP), which informed the previous strategy. The major highlights related to the transformation of the UFS are highlighted below:

Teaching and learning

In 2023, the UFS took a deliberate step to further increase its focus on transforming learning and teaching through a greater emphasis on digitalisation of systems and processes, including investment in digital infrastructure to support blended learning and teaching. This is to ensure the substantial transformation and realignment required to accommodate the changing realities and needs of a high-performance 21st-Century African university that is globally, nationally, and continentally relevant. Moreover, funding and sustainability of educational technologies within higher education institutions has become a critical issue to ensure innovation and implementation of technologies in a budget-constrained environment. Even though the challenges remain in relation to student success and throughput, as well as curriculum responsiveness and relevance, technological innovation, etc.

The institution has increased collaborations and strategic partnerships with funders, government, the public and private sectors, industry, and fellow institutions to maximise/leverage capacity and resources, and to create (among others) productive communities of practice. This is enabling the UFS to better align with the needs of employers and the job market in producing graduates with desirable attributes.

In order to further the continuing transformation agenda, the UFS has initiated an internal process to develop a learning and teaching strategy aligned with Vision 130 and the new Strategy 2023–2028. The consultation is continuing, and the strategy will be completed and approved for implementation in 2024.

Research internationalisation and innovation

The research goal of the UFS is to increase its contribution to local, regional, and global knowledge, to address fundamental and strategically important developmental questions, and to make an economic, social, and cultural impact to society from the local boundaries to the international context.

The revised UFS Research Strategy has been adopted or aligned with the UFS institutional strategy 2023–2028 and Vision 130. Hence the strategy aims to achieve the following objectives:

- To increase emphasis on research that advances societal and knowledge impact (Objective 1.1).
- To ensure the quantity, quality, and diversity of academic staff with renowned global reputation (Objective 1.2).

The guiding principles underpinning these strategic aims are the following:

- Responsible stewardship of human, financial, and other resources.
- A focus on relevance, excellence, and impact.
- A culture of continuous reflection and improvement in strategies, actions, and systems.
- A culture of people-centred, flexible, and accurate service delivery.
- Responsiveness to market needs and demands for human resources, expertise, and products.
- Integration, collaboration, and synergy, where appropriate, for better performance.

Given its fundamental contribution to the university's core business and strategic intent (to become a research-led university), its implementation and performance in relation to the goals are monitored and measured through the APP for sustained impact relevance and institutional transformation.

Engaged scholarship

The UFS recognises the importance of engagement and involvement of identified stakeholders in ensuring that their voices are incorporated into the research process and output. Hence, the university places a strong emphasis on interdisciplinarity and encourages and supports scholars from different disciplines and communities to work together in a spirit of cooperation and integration, mobilising their respective knowledge for the benefit of communities and society.

The UFS' engaged scholarship strategy promotes social change and provides a framework to support and promote scholarship within the relevant academic disciplines and their aligned communities. The strategy includes the following components:

Engaged Research, which incorporates reciprocal knowledge practices in the discovery, teaching, integration, application, development, and mobilisation of knowledge for mutual public benefit and academic interests. In the long run, supporting transformation.

Engaged Citizenship, which includes academic, student, and university citizenship, is an educational platform that prepares and supports staff and students to play a leading role by building sustainable partnerships with other stakeholders, responding to pressing societal challenges by deploying intellectual, human, and other resources for the development of communities.

Student experience

Students in need of food support were supported by the institution. The food support distribution to students was supported and monitored by the UFS Food Environment Technical Committee (FETC). It is a multi-functional institutional committee that determines, monitors, and evaluates projects related to the UFS food environment.

Initiatives were implemented to address gender-based violence (GBV). The KoviesCare GBV Campaign, launched in 2023, aimed to consolidate efforts against gender-based violence (GBV) across all three campuses of the UFS.

Spearheaded by the university's Department of Communication and Marketing, the campaign focused on themes of care, embrace, and connectedness.

In terms of health and wellness in 2023, a holistic approach was followed during consultations, focusing not only on the main complaint, but also to screen for possible non-communicable diseases and to provide treatment, education, and support to ensure students returned to class as soon as possible and were aware of unhealthy behaviour. HIV support was provided to HIV-infected and -affected students. Additionally, awareness campaigns were conducted.

Staff experience

The university has initiatives in place to support academics on their intellectual journey to professorship. In 2023, the UFS had 67 candidates across the Future Professoriate and Emerging Scholars Accelerator Programme (ESAP) programmes. In the Future Professoriate group of academics who were eligible for promotion to Associate Professor level, there were 30 academics of whom 18 were promoted to Associate Professor level. Additionally, there were eight academics in the programme who applied for NRF rating, one of whom received a Y2 rating. These support initiatives are also meant to contribute towards a better staff experience, where academics can see their future at the institution and willingly invest more than average efforts towards their students and the campus community.

The Unit for Institutional Change and Social Justice (ICSJ) framed its work in 2023 to contribute to the realisation of Vision 130 by promoting future-centric dialogue within the university community and beyond. The cornerstone task for 2023 was to close out the long-running work of 'normalising' naming and renaming – ensuring that names, symbols, and spaces would be taken from a crisis paradigm. The task was to reframe these matters, which bear strongly on how people can enjoy productive senses of belonging within a 'tactical' and 'strategic' framework. This framework informed institutional change initiatives implemented in the institution from September 2023.

B-BBEE Performance and Compliance

The university obtained the following scores regarding B-BBEE compliance performance for the 2022 financial year.

SCORECARD FOR GENERIC ENTERPRISE		
Element	Weighting	Score
Ownership	Not applicable	Not applicable
Management Control	20	9.50
Skills Development	25	16.41
Enterprise and Supplier Development	50	49.61
Socio-Economic Development	5	5.00
Total Score	100	80.52

The university is rated as a Level 4 contributor. The B-BBEE certificate was issued on 19 July 2023 and is valid until 18 July 2024.

4. Conclusion

The 2023 annual report showcases the significant achievements, milestones, and progress made by the UFS over the past year. It reflects the UFS' unwavering commitment to continue producing graduates and knowledge that is competitive locally and globally. Through the efforts of the UFS Council, dedicated faculties, exceptional academic and support staff, and the support of stakeholders and communities, the UFS has advanced its vision of being a research-led, student-centred, and regionally engaged university that contributes to development and social justice through the production of impactful research and desirable graduates locally and internationally.

This reporting period marked the first year of the implementation of the 2023-2028 strategy towards realising Vision 130. In 2023, most of the work done was in relation to drafting strategies, policies, and guidelines. Various opportunities now exist to initiate implementation in 2024.

As the institution moves forward, it remains steadfast in its pursuit of academic excellence, reputation, and impact and the continued transformation of lives through education. The UFS expresses its gratitude to all who have contributed to its success in 2023, and looks forward to the opportunities and challenges that lie ahead. The UFS leadership will – together with its valued stakeholders, students, staff and alumni – continue to empower the next generation of leaders, thinkers, and change-makers to inspire excellence and transform lives through quality, impact, and care.



Mr David Noko
Chairperson: UFS Council



Prof Francis Petersen
Vice-Chancellor and Principal, UFS

APPENDICES

Appendix 1: Audited Annual Financial Statements 2023

Appendix 2: Code of conduct for the UFS Council and members of the Council

Appendix 3: Policy of the UFS on conflict of interest by the members of the UFS Council

Appendix 4: UFS Council meeting minutes 2023



Appendix 1:

Annual Financial Statements 2023

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CHAIRMAN OF THE COUNCIL	Mr D Noko
VICE-CHANCELLOR AND PRINCIPAL	Prof FW Petersen
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STREET ADDRESS	Nelson Mandela Drive Bloemfontein 9301
AUDITOR	SNG Grant Thornton Registered Auditor Bloemfontein
BANKER	ABSA Bank

The council is responsible for the preparation, integrity and fair presentation of the consolidated and stand alone financial statements of the University of the Free State. The consolidated and stand alone financial statements, presented on pages 91 to 170, have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Minister of Education as prescribed by the Higher Education Act, 1997 (Act No. 101 of 1997), as amended, and include amounts based on judgements and estimates made by management. The council also prepared the other information included in the annual report and is responsible for both its accuracy and consistency with the consolidated and stand alone financial statements.

The going concern basis has been adopted in preparing the consolidated and stand alone financial statements. The Council has no reason to believe that the University of the Free State will not be a going concern in the foreseeable future based on forecasts and available cash resources. The viability of the University of the Free State is supported by the financial statements.

The consolidated and stand alone financial statements have been audited by the independent accounting firm, PricewaterhouseCoopers Inc., who were given unrestricted access to all financial records and related data, including minutes of meetings of the council and all its committees. The Council believes that all representations made to the independent auditor during their audit were valid and appropriate.

APPROVAL OF THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS

The consolidated and stand alone financial statements set out on pages 91 to 170 were approved by the Council on 14 June 2024 and signed on its behalf by:



Vice-Chancellor and Principal
Prof FW Petersen



Chairman of the Council
Mr D Noko



Senior Director: Finance
Mrs M Nel

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Independent auditor's report to the Minister of Higher Education, Science and Innovation and the Council of the University of the Free State on the University of the Free State

Report on the audit of the consolidated and stand alone Financial Statements

Opinion

1. We have audited the consolidated and stand alone financial statements of the University of the Free State and its subsidiaries (the group) set out on pages 92 to 171, which comprise the consolidated and stand alone statement of financial position as at 31 December 2023, the consolidated and stand alone statement of profit or loss and other comprehensive income, the statements of changes in funds, and the statement of cash flow statements for the year then ended, as well as notes to the consolidated and stand alone financial statements, including a summary of significant accounting policies.
2. In our opinion, the consolidated and stand alone financial statements present fairly, in all material respects, the consolidated and stand alone financial position of the group as at 31 December 2023, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Higher Education Act of South Africa, 1997 (Act no. 101 of 1997).

Basis for opinion

3. We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the consolidated and stand alone financial statements section of our report.
4. We are independent of the group in accordance with Independent Regulatory Board for Auditors' *Code of Professional Conduct for Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding

sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (Including International Independence Standards)*.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Council for the consolidated and stand alone Financial Statements

6. The Council, which constitutes the accounting authority, is responsible for the preparation and fair presentation of the consolidated and stand alone financial statements in accordance with International Reporting and the requirements of the Higher Education Act of South Africa, 1997 and the regulations for reporting by the Public Higher Education Institutions, 2014, issued in terms of the Higher Education Act of South Africa, 1997 (Act no. 101 of 1997) and for such internal control as the accounting authority determines is necessary to enable the preparation of consolidated and stand alone financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the consolidated and stand alone financial statements, the Council is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Council either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and stand alone Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the consolidated and stand alone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and stand alone financial statements.
9. A further description of our responsibilities for the audit of the consolidated and stand alone financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, we have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. The Council is responsible for the preparation of the annual report.
11. We selected the following objectives presented in the annual performance report for the year ended 31 December 2023 for auditing. We selected objectives that measures the university's performance on its primary mandate functions and that are significant national, community or public interest.

Objective	Page numbers	Purpose
1.1 Placing increased emphasis on research that advances societal and knowledge impact	12	To improve our academic excellence, reputation, and impact
3.4 Improving the equity profile of academic leadership	14	To advance a transformational institutional culture that demonstrates the values of the UFS.
4.3 Increasing our research and innovation competitiveness	14	To promote stewardship and prioritization of institutional resources for strategic intent.

12 We evaluated the reported performance information for the selected objectives against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the university's planning and delivery on its mandate and goals.

13. We performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the university's mandate and the achievement of its planned goals
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements.
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

14. We performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.

15. We did not identify any material findings on the reported performance information of the University of the Free State of selected subject matters.

Report on compliance with legislation

Introduction and scope

16. In accordance with the PAA and the general notice issued in terms thereof, we must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The Council is responsible for the university's compliance with legislation.

17. We performed procedures to test compliance with selected requirements in key legislation in accordance with the AGSA findings engagement methodology. This engagement is not an assurance engagement. Accordingly, we do not express an assurance opinion or conclusion.
18. Through an established AGSA process, we selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the university, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
19. We did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

20. The Council is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the consolidated and stand alone financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor's report.
21. Our opinion on the financial statements and my findings on the reported performance information and the report on compliance with legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion on it.
22. In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and stand alone financial statements and the selected objectives presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
23. We have nothing to report in this regard.

Internal control deficiencies

24. We considered internal control relevant to our audit of the consolidated and stand alone financial statements, annual performance report and compliance with applicable legislation; however, our objective was not to express any form of assurance on it.
25. We did not identify any significant deficiencies in internal control.

Other reports

26. We draw attention to the following engagements conducted by SNG Grant Thornton Inc. These reports did not form part of our opinion on the financial statements or our findings on the reported performance information or compliance with legislation.
27. Agreed upon procedures were performed (and will be performed) on the following grants received by the University of the Free State:

Agreed-upon procedure engagements and ISA 805 engagements

Entity Name/ Engagement	Type of engagement	Period covered	Status of engagement
DHET - New generation of Academic Programme (NGAP)	Agreed-upon procedure	1 April 2023 – 31 March 2024	Report Issued
Foundation Grant	Agreed-upon procedure	1 January 2023 to 31 December 2023	Report issued
DHET - Clinical Training Grant (CTG)	Agreed-upon procedure	1 April 2023 – 31 March 2024	Report issued
National Research Foundation Grant	Agreed-upon procedure	1 January 2023 to 31 December 2023	Report issued
DHET - University capacity development programme (UCDG)	Agreed-upon procedure	1 January 2023 to 31 December 2023	Report issued
DHET - Infrastructure Grant	Agreed-upon procedure	1 April 2023 – 31 March 2024	Report issued
Nurturing Emerging scholars Programme (NESP)	Agreed-upon procedure	1 April 2023 – 31 March 2024	Report issued
Research output grant	Agreed-upon procedure	1 January 2023 to 31 December 2023	Report issued
HEMIS	Agreed-upon procedure	1 January 2023 to 31 December 2023	In progress
South African Health Products Regulatory Authority (SAHPRA)	Agreed-upon procedure	1 June 2023 to 31 May 2024	In progress
DHET - Financial Data Submission	Agreed-upon procedure	1 January 2023 to 31 December 2023	Report issued
Department of Sports, Arts and Culture	Agreed-upon procedure	1 April 2023 to 31 March 2024	Report issued
European Commission	Agreed-upon procedure	2020 to 2024	In progress
Danida Fellowship Centre (Audit of Financial accounts) – ISA 805	ISA 805 engagement	1 January 2023 to 31 December 2023	Report issued

Auditor tenure

28. In terms of the IRBA rule published in Government Gazette No. 39475 dated 4 December 2015, we report that SizweNtsalubaGobodo Grant Thornton Incorporated has been the auditor of the University of the Free State for two years.



Herman Leach CA (SA)
SizweNtsalubaGobodo Grant Thornton Inc.
 Director
 Registered Auditor
 27 June 2024
 101 Olympus Drive, 101 Olympus Suite 4, Helicon Heights, Bloemfontein, 9301

Annexure to the auditor's report

The annexure includes the following:

- The auditor's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout our audit of the separate and consolidated financial statements, and the procedures performed on the reported performance information for selected goals and on the University's compliance with respect to the selected requirements in key legislation.

Financial statements

In addition to our responsibility for the audit of the consolidated and separate financial statements as described in this auditor's report, we also:

- identify and assess the risks of material misstatement of the consolidated and stand alone financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the Council's use of the going concern basis of accounting in the preparation of the financial statements. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the University of the Free State and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the consolidated and separate financial statements. Our conclusions are based on the information available to us at the date of this auditor's report. However, future events or conditions may cause a university to cease operating as a going concern.
- evaluate the overall presentation, structure, and content of the consolidated and stand alone financial statements, including the disclosures, and determine whether the consolidated and stand alone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated and stand alone financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

Communication with those charged with governance

We communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the accounting authority with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to have a bearing on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and stand alone financial statements of the current period and are therefore key audit matters. We describe these matters in this auditor's report unless law and regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in this auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

Group		2023					2022					
		Notes	Council controlled Unrestricted	Specifically funded activities Restricted	SUB - TOTAL	Student & staff accommodation Restricted	TOTAL	Council controlled Unrestricted	Specifically funded activities Restricted	SUB - TOTAL	Student & staff accommodation Restricted	TOTAL
TOTAL INCOME			3 509 855	439 110	3 948 965	242 527	4 191 492	3 459 736	482 003	3 941 739	214 452	4 156 191
	State appropriations - subsidies and grants	6.	1 788 679	177 707	1 966 386	-	1 966 386	1 739 703	166 548	1 906 251	-	1 906 251
	Tuition and other fee income	7.	1 525 635	-	1 525 635	240 650	1 766 284	1 452 706	-	1 452 706	212 429	1 665 135
	Income from contracts	8.	43 368	246 688	290 057	-	290 057	49 364	296 272	345 637	-	345 637
	Sales of goods and services	9.	132 007	3 631	135 637	1 869	137 506	209 268	6 298	215 566	2 023	217 589
	Private gifts and grants	10.	18 496	10 338	28 834	8	28 842	19 032	11 544	30 576	-	30 576
	Miscellaneous income / (expense)	11.	1 670	747	2 417	-	2 417	(10 337)	1 341	(8 996)	-	(8 996)
TOTAL EXPENDITURE			3 315 109	373 333	3 688 442	217 334	3 905 776	2 712 566	478 094	3 190 660	178 171	3 368 830
	Personnel costs	12.	1 965 580	192 513	2 158 092	65 580	2 223 672	1 784 494	178 449	1 962 943	50 389	2 013 332
	Other operating expenses	13.	1 213 791	180 685	1 394 476	151 755	1 546 231	823 055	296 891	1 119 946	127 781	1 247 727
	Depreciation and amortisation	18.1; 18.2; 18.3	135 739	134	135 873	-	135 873	105 017	2 754	107 771	-	107 771
OPERATING SURPLUS / (LOSS) FOR THE YEAR			194 746	65 777	260 523	25 192	285 715	747 170	3 909	751 079	36 282	787 361
	Other income		624 947	21 586	646 533	-	646 533	602 971	(63 996)	538 974	-	538 974
	Interest and dividends	14.1	548 901	18 466	567 367	-	567 367	386 066	17 637	403 703	-	403 703
	Investment income	14.2	76 045	2 547	78 593	-	78 593	231 247	10 976	242 224	-	242 224
	Share of net profit / (loss) from associate accounted for using the equity method	24.3	-	573	573	-	573	(14 342)	(92 609)	(106 952)	-	(106 952)
	Impairment losses relating to investment in associates	25.4	-	-	-	-	-	-	-	-	-	-
	Administration cost on financial assets	15.	(28 829)	(731)	(29 561)	-	(29 561)	(22 806)	(518)	(23 324)	-	(23 324)
	Interest paid on loans	17.6	-	-	-	(20 016)	(20 016)	-	(999)	(999)	(20 229)	(21 228)
	Net surplus for the year before market value adjustments on investments		790 863	86 632	877 495	5 176	882 672	1 327 335	(61 604)	1 265 731	16 053	1 281 784
	Revaluation of investments to market value at year end	17.4	834 226	3 403	837 629	-	837 629	(737 043)	(3 318)	(740 361)	-	(740 361)
	Net surplus for the year before income tax		1 625 090	90 035	1 715 124	5 176	1 720 301	590 292	(64 922)	525 370	16 053	541 423
	Income tax expense	16.	-	-	-	-	-	-	(12)	(12)	-	(12)
	NET SURPLUS / (LOSS)		1 625 090	90 035	1 715 124	5 176	1 720 301	590 292	(64 934)	525 358	16 053	541 411
OTHER COMPREHENSIVE INCOME												
Items that will not be reclassified to profit or loss												
	Recognition of post-retirement group life actuarial gains / (loss)	18.6.4	(5 228)	-	(5 228)	-	(5 228)	(8 140)	-	(8 140)	-	(8 140)
	Recognition of post-retirement medical actuarial gains	18.6.3	41 441	-	41 441	-	41 441	36 738	-	36 738	-	36 738
	Recognition of post-retirement pension actuarial gains / (loss)	18.6.2	(57 354)	-	(57 354)	-	(57 354)	17 093	-	17 093	-	17 093
TOTAL COMPREHENSIVE SURPLUS FOR THE YEAR			1 603 948	90 035	1 693 983	5 176	1 699 159	635 983	(64 934)	571 049	16 053	587 101

Note:

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

		2023					2022					
University		Notes	Council controlled Unrestricted	Specifically funded activities Restricted	SUB - TOTAL	Student & staff accommodation Restricted	TOTAL	Council controlled Unrestricted	Specifically funded activities Restricted	SUB - TOTAL	Student & staff accommodation Restricted	TOTAL
TOTAL INCOME			3 509 855	432 218	3 942 073	242 527	4 184 600	3 459 736	446 191	3 905 927	214 452	4 120 379
State appropriations - subsidies and grants		6.	1 788 679	177 707	1 966 386	-	1 966 386	1 739 703	166 548	1 906 251	-	1 906 251
Tuition and other fee income		7.	1 525 635	-	1 525 635	240 650	1 766 284	1 452 706	-	1 452 706	212 429	1 665 135
Income from contracts		8.	43 368	246 538	289 907	-	289 907	49 364	280 372	329 737	-	329 737
Sales of goods and services		9.	132 007	47	132 053	1 869	133 922	209 268	(10 017)	199 251	2 023	201 274
Private gifts and grants		10.	18 496	7 926	26 423	8	26 431	19 032	8 978	28 010	-	28 010
Miscellaneous income / (expenses)		11.	1 670	-	1 670	-	1 670	(10 337)	310	(10 027)	-	(10 027)
TOTAL EXPENDITURE			3 315 109	365 052	3 680 162	217 334	3 897 496	2 712 488	446 582	3 159 070	178 171	3 337 240
Personnel costs		12.	1 965 580	191 228	2 156 808	65 580	2 222 387	1 784 416	164 230	1 948 645	50 389	1 999 035
Other operating expenses		13.	1 213 791	173 824	1 387 615	151 755	1 539 370	823 055	282 353	1 105 408	127 781	1 233 189
Depreciation and amortisation		18.1; 18.2; 18.3	135 739	-	135 739	-	135 739	105 017	-	105 017	-	105 017
OPERATING SURPLUS /(LOSS) FOR THE YEAR			194 746	67 166	261 912	25 192	287 104	747 248	(391)	746 857	36 282	783 139
Other income			624 947	20 398	645 344	-	645 344	617 313	(93 211)	524 102	-	524 102
Interest and dividends		14.1	548 901	17 499	566 401	-	566 401	386 066	16 812	402 878	-	402 878
Investment income		14.2	76 045	2 312	78 357	-	78 357	231 247	9 967	241 215	-	241 215
Share of net profit /(loss) from associate accounted for using the equity method			-	586	586	-	586	-	(7 892)	(7 892)	-	(7 892)
Net loss on sale of subsidiary		24.3.3.3	-	-	-	-	-	-	(55 595)	(55 595)	-	(55 595)
Impairment losses relating to investment in associates		24.3.1.3	-	-	-	-	-	-	(56 504)	(56 504)	-	(56 504)
Administration cost on financial assets		15.	(28 829)	(683)	(29 512)	-	(29 512)	(22 806)	(486)	(23 292)	-	(23 292)
Interest paid on loans		17.6	-	-	-	(20 016)	(20 016)	-	-	-	(20 229)	(20 229)
Net surplus / (loss) for the year before market value adjustments on investments			790 863	86 881	877 744	5 176	882 921	1 341 755	(94 088)	1 247 667	16 053	1 263 720
Revaluation of investments to market value at year end		17.4	834 226	-	834 226	-	834 226	(737 043)	-	(737 043)	-	(737 043)
NET SURPLUS / (LOSS)			1 625 090	86 881	1 711 971	5 176	1 717 147	604 712	(94 088)	510 624	16 053	526 677
OTHER COMPREHENSIVE INCOME												
Items that will not be reclassified to profit or loss												
Recognition of post-retirement group life actuarial gains / (loss)		18.6.4	(5 228)	-	(5 228)	-	(5 228)	(8 140)	-	(8 140)	-	(8 140)
Recognition of post-retirement medical actuarial gains		18.6.3	41 441	-	41 441	-	41 441	36 738	-	36 738	-	36 738
Recognition of post-retirement pension actuarial gains / (loss)		18.6.2	(57 354)	-	(57 354)	-	(57 354)	17 093	-	17 093	-	17 093
TOTAL COMPREHENSIVE SURPLUS / (LOSS) FOR THE YEAR			1 603 948	86 881	1 690 829	5 176	1 696 006	650 403	(94 088)	556 315	16 053	572 368

Note:

The above stand alone statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

		GROUP		UNIVERSITY	
		2023	2022	2023	2022
Notes		R ' 000	R ' 000	R ' 000	R ' 000
ASSETS					
Non-current assets					
Property, plant and equipment	18.1	2 205 181	2 029 360	2 201 097	2 026 542
Investment property	18.2	10 372	10 673	10 372	10 673
Intangible assets	18.3	4 668	4 845	4 668	4 845
Financial assets at fair value through profit or loss (FVPL)	17.4	7 782 387	6 483 574	7 755 330	6 460 599
Investment in subsidiary	24.3		-	-	
Investment in associates	24.3	762	175	762	175
Student and other loans	17.2	35 667	33 189	35 667	33 189
Retirement benefit surplus	18.6.2	200 315	231 239	200 315	231 239
Deferred tax asset	18.8	-	-	-	-
Total non-current assets		10 239 350	8 793 056	10 208 209	8 767 263
Current assets					
Financial assets at fair value through profit or loss (FVPL)	17.4	3 316 663	3 234 520	3 313 009	3 231 155
Inventory	18.4	10 181	9 068	10 181	9 068
Biological assets	18.5	7 869	2 957	5 166	735
Trade and other receivables	17.1	275 365	351 269	274 523	350 159
Cash and cash equivalents	17.3	178 891	130 483	177 928	130 287
Total current assets		3 788 971	3 728 297	3 780 807	3 721 404
Total assets		14 028 321	12 521 353	13 989 016	12 488 667

Note:

The above consolidated and stand alone statement of financial position should be read in conjunction with the accompanying notes.

		GROUP		UNIVERSITY		
	Notes	2023 R ' 000	2022 R ' 000	2023 R ' 000	2022 R ' 000	
FUNDS AND LIABILITIES						
Funds and reserves						
Unrestricted funds – Education and general		7 478 817	6 870 013	7 478 817	6 832 340	
Unrestricted use funds		2 399 088	1 981 382	2 399 088	1 981 382	
Unrestricted designated funds		5 079 729	4 888 631	5 079 729	4 850 958	
Restricted funds – Education and general		717 172	642 088	704 812	628 213	
Funds for specific purposes		568 903	509 761	568 903	509 761	
Trust and endowment funds		148 269	132 327	135 909	118 452	
Restricted funds – Residences		148 898	145 815	148 898	145 815	
Financial instruments at fair value through profit and loss reserves		1 580 161	742 532	1 573 550	739 324	
Fixed assets fund property plant and equipment		2 215 553	2 040 033	2 211 468	2 074 888	
Total funds and reserves		12 140 601	10 440 481	12 117 546	10 420 579	
Non-current liabilities						
Borrowings		17.6	183 497	186 527	183 496	186 527
Post employment medical obligation		18.6.3	446 135	454 587	446 135	454 587
Post employment group life insurance obligation		18.6.4	37 920	32 692	37 920	32 692
Accrued leave provision		18.6.1	226 072	190 637	226 072	190 637
Total non-current liabilities			893 624	864 443	893 624	864 443
Current liabilities						
Trade and other payables		17.5	809 032	1003 866	792 783	991 082
Deferred tax liabilities		18.8	–	–	–	–
Deferred income		18.7	172 914	203 804	172 914	203 804
Borrowings		17.6	–	–	–	–
Accrued leave provision		18.6.1	12 150	8 760	12 150	8 760
Total current liabilities			994 096	1 216 429	977 847	1 203 645
Total funds and liabilities			14 028 321	12 521 353	13 989 016	12 488 667

Note:

The above consolidated and stand alone statement of financial position should be read in conjunction with the accompanying notes.



UNIVERSITY OF THE FREE STATE

Consolidated Statement of Changes in funds for the
year ended 31 December 2023 (all amounts in R'000)

Group												
Description	Notes	Total	Accumulated fund	Designated	SUB - TOTAL	Funds for specific purposes	Trust and endowment funds	SUB - TOTAL	Residence fund	Financial instruments at FVPL reserves	Fixed assets fund PPE	SUB - TOTAL
Balance at 31-12- 2021		9 754 707	1 445 855	4 429 226	5 875 081	349 744	121 147	470 890	133 968	1 482 893	1 791 873	3 408 735
Net surplus /(loss)		635 895	535 527	83 449	618 976	36 271	(35 406)	865	16 053	-	-	16 053
Reallocation of financial assets at fair value through profit or loss to designated reserves		-	-	737 043	737 043	-	3 318	3 318	-	(740 361)	-	(740 361)
Reallocation of funds		-	-	(149 022)	(149 022)	149 118	-	149 118	(95)	-	-	(95)
Other additions (1)		4 188	-	757	757	-	3 430	3 430	-	-	-	-
Fixed asset reallocation		-	-	(258 514)	(258 514)	(25 372)	39 838	14 465	(4 111)	-	248 160	244 049
Recognition of post-retirement group life actuarial gains / (losses)	18.6.4	(8 140)	-	(8 140)	(8 140)	-	-	-	-	-	-	-
Recognition of post-retirement medical actuarial gains	18.6.3	36 738	-	36 738	36 738	-	-	-	-	-	-	-
Recognition of post-retirement pension actuarial gains / (losses)	18.6.2	17 093	-	17 093	17 093	-	-	-	-	-	-	-
Balance at 31-12-2022		10 440 481	1 981 382	4 888 631	6 870 013	509 761	132 327	642 088	145 815	742 532	2 040 033	2 928 380
Reallocation of financial assets at fair value through profit or loss to designated reserves		-	-	(834 226)	(834 226)	-	(3 403)	(3 403)	-	837 629	-	837 629
Reallocation of funds		-	-	(18 889)	(18 889)	18 889	-	18 889	-	-	-	-
Other additions (1)		961	-	159	159	-	802	802	-	-	-	-
Fixed asset reallocation		-	-	(142 187)	(142 187)	(29 973)	(1 266)	(31 239)	(2 093)	-	175 520	173 426
Recognition of post-retirement group life actuarial gains / (losses)	18.6.4	(5 228)	-	(5 228)	(5 228)	-	-	-	-	-	-	-
Recognition of post-retirement medical actuarial gains	18.6.3	41 441	-	41 441	41 441	-	-	-	-	-	-	-
Recognition of post-retirement pension actuarial gains / (losses)	18.6.2	(57 354)	-	(57 354)	(57 354)	-	-	-	-	-	-	-
Balance at 31-12-2023		12 140 601	2 399 088	5 079 729	7 478 817	568 903	148 269	717 172	148 898	1 580 161	2 215 553	3 944 612

Notes:

The above consolidated statement of changes in funds should be read in conjunction with the accompanying notes

Stand alone statement of changes in funds for the year ended 31 December 2023 (all amounts in R'000)

University												
Description	Notes	Total	Accumulated fund	Designated	SUB - TOTAL	Funds for specific purposes	Trust and endowment funds	SUB - TOTAL	Residence fund	Financial instruments at FVPL reserves	Fixed assets fund PPE	SUB - TOTAL
Balance at 31-12-2021		9 844 023	1 445 855	4 443 569	5 889 424	349 744	245 303	595 047	133 968	1 476 367	1 749 217	3 359 552
Net surplus /(loss)		526 599	535 527	69 107	604 634	36 271	(130 360)	(94 088)	16 053	-	-	16 053
Reallocation of financial assets at fair value through profit or loss to designated reserves		-	-	737 043	737 043	-	-	-	-	(737 043)	-	(737 043)
Reallocation of funds		-	-	(149 022)	(149 022)	149 118		149 118	(95)	-		
Other additions (1)		4 266	-	757	757	-	3 508	3 508	-	-	-	
Fixed asset reallocation		-	-	(296 187)	(296 187)	(25 372)	-	(25 372)	(4 111)	-	325 671	321 560
Recognition of post-retirement group life actuarial gains / (losses)	18.6.4	(8 140)	-	(8 140)	(8 140)	-	-	-	-	-	-	-
Recognition of post-retirement medical actuarial gains	18.6.3	36 738	-	36 738	36 738	-	-	-	-	-	-	-
Recognition of post-retirement pension actuarial gains / (losses)	18.6.2	17 093	-	17 093	17 093	-	-	-	-	-	-	-
Balance at 31-12-2022		10 420 579	1 981 382	4 850 958	6 832 340	509 761	118 452	628 213	145 815	739 324	2 074 888	2 960 027
Net surplus /(loss)		1 717 147	417 706	1 207 384	1 625 090	70 226	16 655	86 881	5 176	-	-	5 176
Reallocation of financial assets at fair value through profit or loss to designated reserves		-	-	(834 226)	(834 226)	-	-	-	-	834 226	-	834 226
Reallocation of funds		-	-	(18 889)	(18 889)	18 889		18 889		-	-	-
Other additions (1)		961	-	159	159	-	802	802		-	-	-
Other additions (1)		961	-	159	159	-	802	802		-	-	-
Fixed asset reallocation		-	-	(104 514)	(104 514)	(29 973)	-	(29 973)	(2 093)	-	136 580	134 487
Recognition of post-retirement group life actuarial gains / (losses)	18.6.4	(5 228)	-	(5 228)	(5 228)	-	-	-	-	-	-	-
Recognition of post-retirement medical actuarial gains	18.6.3	41 441	-	41 441	41 441	-	-	-	-	-	-	-
Recognition of post-retirement pension actuarial gains / (losses)	18.6.2	(57 354)	-	(57 354)	(57 354)	-	-	-	-	-	-	-
Balance at 31-12-2023		12 117 546	2 399 088	5 079 729	7 478 817	568 903	135 909	704 812	148 898	1 573 550	2 211 468	3 933 917

Notes:

The above consolidated statement of changes in funds should be read in conjunction with the accompanying notes

	Notes	Group		University	
		2023 R' 000	2022 R' 000 Restated	2023 R' 000	2022 R' 000 Restated
Cash flow from operating activities					
Cash generated from operations	20	147 826	440 709	145 737	373 400
NET CASH INFLOW FROM OPERATING ACTIVITIES		147 826	440 709	145 737	373 400
Cash flow from investing activities					
Investment income less cost of finance					
Interest income		315 472	186 461	315 343	186 378
Administration cost financial assets		(29 561)	(23 324)	(29 512)	(23 292)
Purchase of property, plant and equipment and cost of patents		(315 296)	(402 752)	(313 896)	(379 373)
Inflow of grant income designated for the purchase of property, plant and equipment		48 551	17 935	48 551	17 935
Purchase of property, plant and equipment and cost of patents relating to grants		(48 551)	(17 935)	(48 551)	(17 935)
Payments on lease liabilities			717		
Proceeds on disposal of financial assets		3 049 943	3 244 936	3 049 943	3 244 936
Purchase of financial assets		(3 098 661)	(3 522 927)	(3 098 661)	(3 522 927)
Proceeds on disposal of assets		771	(21 106)	771	(21 858)
Proceeds on disposal of trust funds		961	4 188	961	4 188
Loans granted to related parties		-	(33 180)	-	10 708
Investment in subsidiary		-	-	-	-
Loans repaid by related parties		-	-	-	-
NET CASH OUTFLOW FROM / (UTILISED IN) INVESTING ACTIVITIES		(76 371)	(566 985)	(75 051)	(501 240)
Cash flow from financing activities					
Payments on lease liabilities		-	717	-	-
Repayments on borrowings	20.2	(23 046)	(25 782)	(23 046)	(20 453)
Increase in borrowings	20.2		110		
NET CASH OUTFLOW FROM / (UTILISED IN) FINANCING ACTIVITIES		(23 046)	(25 672)	(23 046)	(20 453)
Cash and cash equivalents at beginning of year		130 483	282 430	130 287	278 579
Cash and cash equivalents at end of year	17.3	178 891	130 483	177 928	130 287

The above consolidated and stand alone statements of cash flows should be read in conjunction with the accompanying notes.

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Notes to the financial statements

1 General information

The financial statements were authorised for issue by the Council on 14 June 2024.

The University of the Free State is a public university established under the Higher Education Act no 101 of 1997, as amended by Act 54 of 2000. The University of the Free State is domiciled in South Africa and the operations and principal activities of the university relate to education, research and community service, based on its vision and mission.

The financial statements is for the group, consisting of the University of the Free State and its subsidiaries.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated annual financial statements are set out below. Where an accounting policy relates to separately disclosed transactions or balances, it is included under that specific note. These policies are consistently applied for all years presented, unless otherwise stated.

2.1 Basis for preparation

The consolidated and stand alone financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), International Financial Reporting Interpretations Committee (IFRIC) interpretations and are prepared in the manner prescribed by the Minister of Higher Education and Training in terms of the Higher Education Act no 101 of 1997, as amended by Act 54 of 2000. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

"The consolidated and stand alone financial statements have been prepared under the historical cost basis, except where otherwise specified in the individual accounting policy notes in the financial statements."

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 21.1 "Critical accounting estimates and judgements".

The presentation currency of the university is South African rand. All amounts are rounded to the nearest thousand rands.

2.1.1 Going concern

The university's forecast and projections, taking account of reasonably possible changes in operating circumstances, show that the university should be able to operate within its current financing.

Council has a reasonable expectation that the university has adequate resources to continue in operation existence for the foreseeable future. The university therefore continues to adopt the going concern basis in preparing its annual financial statements.

3. Changes in accounting policies and disclosures

3.1 New and amended standards adopted by the university

The group has applied no new standards and amendments for the first time for their annual reporting period commencing 1 January 2023.

1. Definition of Accounting Estimates – amendments to IAS 8
2. Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2.

The effect of the adoption of the above amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

3.2 Standards, amendments and interpretations to existing standards effective after 1 January 2023

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

4. Segment reporting

A segment is a recognised component of the university that is engaged in undertaking activities and providing services that are subject to risks and returns different from those of other segments. Segmentation provided in the Statement of Comprehensive Income of these financial statements is in terms of the guidelines prescribed by the Department of Higher Education and Training.

5. Statement of profit or loss and other comprehensive income: separate activities

“The format of the statement of profit or loss and other comprehensive income is designed to disclose separately:

- the utilisation of resources that are under the absolute control of the Council (Council-controlled unrestricted);
- the utilisation of those resources which are prescribed in terms of the legal requirements of the providers of such resources (specifically funded activities restricted); and
- the provision of accommodation for students and / or staff (Student and Staff accommodation restricted).”

“General accounting policies pertaining to the statement of profit or loss and other comprehensive income:

Council-controlled unrestricted

The Council-controlled segment predominantly represents the teaching component of the university. Decision-making rights relating to income earned in this segment rest with council. Included in council-controlled unrestricted income, is designated unrestricted income. Although the funds are under the control of council, they are designated for specific purposes. In all instances any such income is recognised as income in the financial period when the university is entitled to use those funds. The funds will not be used until some specified future period or occurrence and are held in an appropriate fund until the financial period in which the funds can be used.

Income on assets representing restricted funds

Investment funds are pooled and the investment income is apportioned to the various participating funds in proportion to their balances. Interest, dividends and other income received or due on assets representing endowment is recognised via profit or loss to the respective funds.

Interdepartmental income interdepartmental income and expenditure are eliminated.”

6. State appropriations: Subsidy and grant income

Accounting policy:

State subsidies and grants for general purposes are recognised as income in the financial year to which the subsidy relates. A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the University will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are offset against the carrying amount of the relevant asset and unspent government grants relating to property, plant and equipment are presented as deferred income in the balance sheet.

	Group		University	
	2023	2022	2023	2022
	R ' 000	R ' 000	R ' 000	R ' 000
State subsidy for general purpose assistance	1 788 679	1 739 703	1 788 679	1 739 703
Earmarked grants	177 707	166 548	177 707	166 548
	1 966 386	1 906 251	1 966 386	1 906 251

There are no unfulfilled conditions or other contingencies attached to the subsidies and grants that have been recognised above, some of which are classified as restricted income. Also refer to note 18.7 for deferred revenue relating to government grants.

7. Tuition and other fee income

Accounting policy:

As per IFRS 15, a five-step process must be applied before revenue can be recognised:

- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied.

Revenue is measured based on the transaction price in accordance with the University's fee structure and is recognised as and when the service is provided (during the academic year). As the academic year is consistent with the financial year, a receivable is recognised at year-end for any unpaid student fees relating to that particular year. Where student fees are received in advance, the advance amount received, is included under payables.

Tuition and other fee income is only recognised when the amount can be measured reliably and future economic benefits will flow to the group. Tuition and residence fees charged are applicable to one academic and financial year and are recognised in that year. The university has assessed that the students simultaneously receive and consume the benefits provided within the year, as such revenue is recognised over time. Scholarships, bursaries and other financial aid provided by the university to students for tuition and residence fees are recognised as a reduction of fees.

Also refer to note 22.2.2.1 for the accounting policy on measuring expected credit losses.

		Group		University	
		2023	2022	2023	2022
		R ' 000	R ' 000	R ' 000	R ' 000
Tuition fees	#	1 499 830	1 426 388	1 499 830	1 426 388
Student accommodation		240 650	212 429	240 650	212 429
Income from short learning programmes		25 804	26 318	25 804	26 318
		1 766 284	1 665 135	1 766 284	1 665 135
		# of students		# of students	
		2023		2022	
Number of students enrolled at the university		39 554		41 205	
Number of students utilising hostel accommodation on campus		6 472		6 239	

- Refer to note 13 relating to the accounting treatment of internal bursaries that is reflected as a discount on tuition fees.

8. Income from contracts

Accounting policy:

As per IFRS 15, a five-step process must be applied before revenue can be recognised:

- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied.

Bundled goods or services that are distinct will be separately recognised, and any discounts or rebates on the contract price will be allocated to the separate elements.

Research and other income

In addition to the accounting policies under note 5, in certain instances contracts are received for specific purposes with a contractual outcome and the funding does not allow for the retention of any of the capital or any of the profit by the group. Revenue from research contracts is measured based on the contract value or the specific milestone values in the contract. In determining the transaction price for the research contracts revenue, the university considers the effects of variable consideration. If the consideration in a contract includes a variable amount, the university estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. Progress payments are received over the period of the contracts and recognised as revenue as performance obligations are fulfilled or milestones reached. Unspent income is treated as income in advance in the statement of financial position, and is returned to the sponsor at the end of the contract period as required. The balance of the restricted funds on contract close-out will become unrestricted if all obligations in terms of the contract have been met, and where the requirement to return such funds to the sponsor has been waived. These funds are then utilised to support ongoing research. Actual work performed method is used to account for research and other contracts. In addition, judgements are required when recognising and measuring any variations or claims on each contract.

Research and other expenditure relating to contracts

Research and other expenditure relating to contracts is recognised as an expense when incurred. Costs that are directly attributable to the development of intangible assets are capitalised. Refer to note 18.3 for additional disclosures.

Area of significant management judgement and estimation

The group uses its judgement to determine performance obligations in contracts, and if these obligations are satisfied to recognise revenue in accordance to the accounting policy stipulated above. Judgement is also used to allocate the transaction price over the performance obligations, where this is not explicitly specified in contracts.

	Group		University	
	2023 R ' 000	2022 R ' 000	2023 R ' 000	2022 R ' 000
Income from contracts				
for research	147 087	165 585	147 087	165 585
from third parties	65 105	98 581	65 105	98 581
from the NRF	81 982	67 004	81 982	67 004
for clinical research contracts*	-	15 900	-	-
for other activities	142 970	164 152	142 820	164 152
	290 057	345 637	289 907	329 737

* Clinical research contracts relate to the main business of the Farmovs (Pty) Ltd. Farmovs (Pty) Ltd was a full subsidiary of the UFS until 28 February 2022.

Financing components

It is not the practice of the group to provide finance facilities. The group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

9. Sales of goods and services

Accounting policy:

As per IFRS 15, a five-step process must be applied before revenue can be recognised:

- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied.

Income is generally recognised at the fair values of the amounts of goods or services received or receivable with consideration of the five-step approach above. Income is shown net of value-added tax, returns, rebates and discounts. Income derived from occasional sales and services are thus recognised in the period in which the performance obligations are met. Performance obligations are generally met when the services or the goods are delivered or at the point of sale. The amount recognised as income is the invoiced amount. A receivable is recognised when the services are rendered or the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

No warranties or related obligations for the group exist.

Sales of goods and services

	Group		University	
	2023	2022	2023	2022
	R ' 000	R ' 000	R ' 000	R ' 000
Letting of facilities	26 526	14 756	26 526	14 756
Transport income	20 269	8 435	20 269	8 435
Other trade revenue *	29 956	25 055	27 993	23 468
Laboratory income	18 640	15 941	18 640	15 941
Income from self-sustainable University enterprises	10 005	8 404	10 005	8 404
Income from sale of academic notes	4 971	3 759	4 971	3 759
Miscellaneous **	27 140	141 240	25 518	126 512
TOTAL	137 506	217 589	133 922	201 274

*Other trade revenue relate mostly to entrepreneurial income from, for instance, laboratories and page fee income on academic publications.

** Miscellaneous income for 2022: R 103 million relate to a prior year provision relating to contracts that were renegotiated.

Financing components

The group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

10. Private gifts and grants

Accounting policy:

Donations and gifts are recognised upon receipt when the funder can be specifically identified and there are no donor requirements to utilise the donation over a period. When donations are received and a specific period of utilisation is prescribed, the donation is recognised over time. When not identified, the receipts are treated as a liability and subsequently allocated to revenue when the funder can be identified and it can be determined if any conditions should be met. Donations in kind are recognised at fair value, based on external valuations, except when it is received in cash.

	Group		University	
	2023	2022	2023	2022
	R ' 000	R ' 000	R ' 000	R ' 000
General donations	18 957	19 641	18 957	19 641
Donations for bursaries and scholarships	9 884	10 935	7 473	8 369
	28 842	30 576	26 431	28 010

11. Other income

Accounting policy:

Profit on disposal of property, plant and equipment

Gains and losses on disposals are determined by comparing proceeds with carrying amount. The gains or losses are recognised when the ownership of the assets is transferred or when no future economic benefits are expected from its continued use or disposal. These gains or losses are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

Gain on revaluation of biological assets

Refer to note 18.5 for the accounting policies relating to biological assets.

	Group		University	
	2023	2022	2023	2022
	R ' 000	R ' 000	R ' 000	R ' 000
Profit / (loss) on disposal of property, plant and equipment	(3 307)	(8 114)	(3 307)	(8 114)
Gain / (loss) on revaluation of biological assets	5 723	(882)	4 977	(1 914)
	2 417	(8 996)	1 670	(10 027)

12. Personnel costs

Accounting policy:

Personnel costs are charged to the Statement of profit or loss when related services are rendered.

		2023			
		Group	University		Total
			Academic	Other	
Salaries and wages		2 214 467	936 463	1 276 720	2 213 182
Salaries and wages					
Current and past service costs: Pension plan	18.6.2	(23 784)	-	(23 784)	(23 784)
Current and past service costs: Post retirement medical fund	18.6.3	32 989	-	32 989	32 989
Total salaries and wages		2 223 672	936 463	1 285 925	2 222 387

		2022			
		Group	University		Total
			Academic	Other	
Salaries and wages		2 039 720	885 898	1 086 748	1 972 647
Salaries and wages					
Current and past service costs: Pension plan	18.6.2	(12 414)	-	(12 414)	(12 414)
Current and past service costs: Post retirement medical fund	18.6.3	38 802	-	38 802	38 802
Total salaries and wages		2 013 332	885 898	1 113 136	1 999 035

Average monthly number of people employed by the University* during the year:

	2023 Number	2022 Number
Full time - Lecturing	1 074	1 074
Full time - Support	2 188	1 790
Part time - Lecturing	2 369	1 121
Part time - Support	1 551	1 693
	7 182	5 678

* The numbers disclosed do not include people employed on the joint staff establishment of the Free State Department of Health or employees of the subsidiaries.

12.1 Remuneration of Executive Management

The following information is provided in compliance with the Higher Education Act (Act 101 of 1997, as amended) and the regulations for Annual Reporting by Higher Education Institutions (section 7.4). Remuneration of executive staff is based on the cost of employment to the university.

Remuneration of executive management relating to the university		2023 R ' 000	2022 R ' 000
Name	Designation		
Petersen FW, Prof	Vice-Chancellor and Principal	6 041	5 587
Qhobela, M. Dr	Deputy Vice-Chancellor: Institutional Change, Strategic Partnerships and Societal Impact	3 070	2 866
Van Staden E, Dr	Deputy Vice-Chancellor: Academic	3 334	3 062
Witthuhn RC, Prof	Deputy Vice-Chancellor: Research and Internationalisation (until 31 March 2023)	722	2 875
Reddy V, Prof	Deputy Vice-Chancellor: Research and Internationalisation (from 1 May 2023)	2 217	-
Naidoo P, Prof	Deputy Vice-Chancellor: University Operations	3 168	2 978
Ntsababa N, Mr	Registrar	3 214	2 954
Madiope M, Dr	Dean: South Campus (until 30 September 2022)	-	1 478
Hlasho, T. Mr	Executive Director: Student Affairs	2 806	2 501
Mandew M, Dr	Qwaqwa Campus Principal	2 352	2 204
Sithole P, Prof	Qwaqwa Campus Vice-Principal	1 890	1 776
Burger P, Prof.	Dean: Economic and Management Sciences (From 1 January 2022)	2 314	2 012
Van Zyl GJ, Prof *	Dean: Health Sciences	1 337	1 359
Hudson H, Prof	Dean: The Humanities (until 28 February 2023)	2 036	2 058
Masoga Ma, Prof	Dean: The Humanities (from 1 March 2023)	1 780	-
Mubangizi JC, Prof	Dean: Law (until 31 January 2023)	480	1 948
Djoyou Kamga	Dean: Law (from 1 February 2023)	1 932	-
Vermeulen PD, Prof	Dean: Natural and Agricultural Sciences (until 31 December 2023)	2 337	2 063
Jita LC, Prof	Dean: Education	2 704	2 633
Letsoa R, Prof	Dean: Theology (until 28 February 2023)	351	2 050
Tolmie DF, Prof	Acting Dean: Theology (acting from 1 March 2023)	1 730	-

Total remuneration of Executive Management

45 813 42 404

* also appointed on the joint staff establishment of the Free State Department of Health. (Remuneration excluded)

No lump sum payments in excess of R0,250m was made during 2023 or 2022 to an executive staff member of the University of the Free State.

The following table represents the disclosure required in terms of IAS 24 in respect of key management:

	Group		University	
	2023	2022	2023	2022
Compensation of key management	R ' 000	R ' 000	R ' 000	R ' 000
Short-term employee benefits	41 265	45 200	41 081	38 264
Post-employment pension and medical benefits	4 732	4 139	4 732	4 139
Total compensation paid to key management personnel	45 997	49 339	45 813	42 404

The post-employment pension and medical benefits reflected above for key management represents payments made to the University's retirement fund.

Payments for attendance at meetings of the Council and its Committees or any directors meetings

Remuneration to Council and Committee members were implemented from 2020. For 2023 the amount approved per Council meeting was R1597 for a Council member, R1805 for a Chair of Committee, R2030 for the Deputy Chair of Council and R2256 for the Chairperson of Council. To date most members waived the option of remuneration. No directors of any subsidiaries receive remuneration for attendance of directors meetings.

Members of Council and committees

- Reimbursement of expenses and remuneration.

786 380 786 380

13. Other operating expenses by nature

Accounting policy:

Expenses are recognised as expenses are incurred. Services are thus recognised when satisfactorily performed and expenses relating to products when the product was delivered and the rights relating to ownership was transferred.

The following items are included:

	Group		University	
	2023	2022	2023	2022
	R ' 000	R ' 000	R ' 000	R ' 000
Supplies and services	1 209 126	889 645	1 202 660	877 345
Cost of maintenance services	124 164	128 970	123 870	127 969
Cost of small alterations	10 286	8 353	10 286	8 353
Research and development expenditure	148 901	162 514	148 901	162 514
Bursaries *	50 989	54 339	50 989	53 557
Auditor's remuneration	2 765	3 906	2 664	3 451
- Audit fee	1 975	2 200	1 880	2 068
- Other special investigations and special reports	791	1 706	784	1 383
Total other operating expenses	1 546 231	1 247 727	1 539 370	1 233 189

- * Bursaries, excluding bursaries funded by third party contracts. Bursaries to the amount of R50,126m (2022: R41,573m) are included in research and development expenditure, as these related to research specific bursaries. Please refer to the table below for a more detailed analysis on bursaries paid by the institution. Internal bursaries to the value of R127,712m (2022: R129,777m) were recognised in accordance to IFRS 15 as a discount on tuition fees.

2023 Bursary analysis

	Bursaries funded from the Internal funds	Bursaries funded from contracts with stakeholders	Bursaries funded by the NRF	Alternatively funded bursaries	Total
Postgraduate bursaries (Excl merit bursaries)	91 396	9 667	46 857	25 996	173 917
Undergraduate bursaries (Excl merit bursaries)	9 731	5 020	-	13 575	28 325
Academic Merit bursaries	26 585	-	-	-	26 585
Short learning programmes	-	-	-	-	-
	127 712	14 687	46 857	39 571	228 826

2022 Bursary analysis

	Bursaries funded from the Internal funds	Bursaries funded from contracts with stakeholders	Bursaries funded by the NRF	Alternatively funded bursaries	Total
Postgraduate bursaries (Excluding merit bursaries)	76 351	8 232	37 623	18 817	141 024
Undergraduate bursaries (Excluding merit bursaries)	22 480	8 000	-	22 458	52 937
Academic Merit bursaries	30 916	-	-	-	30 916
Short learning programmes	30	-	-	-	30
	129 777	16 232	37 623	41 275	224 907

14. Interest, dividends and investment income

Accounting policy:

Interest income:

Interest is recognised on a time allocation basis, taking account the principal outstanding and the effective interest rate over the period to maturity, when it is determined that such income will accrue to the university, mainly relating to outstanding student debt and trade debtors. When impairment of a debtor occurs, the University reduces the carrying value to the recoverable value. The recoverable value represents the future cash flow, discounted as interest over time. Interest income on loans in respect of which impairment has been recognised is recognised at the original effective interest rate.

Interest income on financial assets at amortised cost (held-to-maturity investments and loans and receivables) calculated using the effective interest method is recognised in the statement of profit or loss as part of other income.

Dividend income:

Dividends are received from financial assets measured at FVPL. Dividends are recognised as other income in profit or loss when the right to receive payment is established.

Investment income:

Profit or losses on the disposal of government bonds, shares and other investments are recognised in the statement of profit and loss at the time of the disposal. The profit/loss is measured as the difference between the carrying amount and the proceeds and the time of disposal.

14.1 Interest and dividends

	Group		University	
	2023	2022	2023	2022
	R ' 000	R ' 000	R ' 000	R ' 000
Interest income	501 518	320 570	500 795	320 069
Dividend income	65 849	83 132	65 606	82 809
Total interest and dividend income	567 367	403 703	566 401	402 878

Refer to note 24.4 for detail on interest income and dividend income from related parties.

14.2 Investment income

	Group		University	
	2023	2022	2023	2022
	R ' 000	R ' 000	R ' 000	R ' 000
Profit/(loss) on disposal of government bonds	13 540	19 054	13 495	18 987
Profit/(loss) on disposal of shares	72 835	243 298	72 621	242 281
Profit/(loss) on disposal of other investments	(7 782)	(20 129)	(7 759)	(20 054)
	78 593	242 224	78 357	241 215

15. Administration cost of financial assets

Accounting policy:

Expenses relating to the administration cost of financial assets are recognised as expenses when the related services were performed.

Investment management fees	29 561	23 324	29 512	23 292
Total administration cost financial assets	29 561	23 324	29 512	23 292

16. Income Tax

Accounting policy:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the group and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Area of significant management judgement and estimation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

No provision for normal South African income tax was made for the university, as the university is exempt in terms of section 10(1)(cA)(i) of the South African Income Tax Act. All income taxes disclosed below relate to Farmovs Pty Ltd, a wholly owned subsidiary of the university up to 1 March 2022. After the sale of the the controlling interest in Farmovs, it is consolidated as an associate and income tax remain.

Income tax expense

Major components:

Current

Local income tax

Deferred

Deferred tax

Under/(Over) provision of prior period tax

Total income tax expense / (income)

Group	
2023	2022
R ' 000	R ' 000
-	-
-	12
-	-
-	12

Reconciliation of tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Statutory rate

0,00%

0,00%

Fixed assets adjustment

0,00%

0,00%

Exempt portion

0,00%

0,00%

Effective tax rate

0,00%

0,00%

The differences between the statutory and effective tax rate relates to fixed asset adjustment and other minor differences.

17. Financial assets and financial liabilities

This note provides information about the group's financial instruments, including:

- an overview of all financial instruments held by the group
- specific information about each type of financial instrument
- accounting policies
- information about determining the fair value of the instruments, including judgements and estimation uncertainty involved.

The group holds the following financial instruments

		Group		University	
		2023	2022	2023	2022
	Notes	R ' 000	R ' 000	R ' 000	R ' 000
Financial assets					
Financial assets at amortised cost					
Student and trade receivables	17.1	275 365	351 269	274 523	350 159
Student and other loans	17.2	35 667	33 189	35 667	33 189
Cash and cash equivalents	17.3	178 891	130 483	177 928	130 287
Financial assets at fair value through profit or loss (FVPL)	17.4	11 099 050	9 718 094	11 068 339	9 691 754
Financial liabilities					
Liabilities at amortised cost					
Trade and other payables **	17.5	782 197	969 991	765 948	957 207
Borrowings	17.6	183 496	186 527	183 496	186 527

** Excluding non-financial liabilities

The group's exposure to various risks associated with the financial instruments is discussed in note 22. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

Accounting policy:

Classification

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The group reclassifies debt investments when and only when its business model for managing those assets changes. (Also refer to note 21.3)

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Equity instruments

The group subsequently measures all equity investments at fair value. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable.

Impairment

The group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 22.2.2 for further details.

Subsequent measurement

The measurement at initial recognition did not change on adoption of IFRS 9, see description above.

Assets carried at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial.

Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through surplus or deficit, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss. Management is primarily focused on fair value information relating to its investments, which includes equity and debt instruments, and uses that information to assess the assets' performance and to make decisions. The business model is to manage and evaluate investments on a fair value basis, to hold investments for capital appreciation and to preserve the real value of the capital base. As a result, the university's investments have been classified at fair value through profit and loss with net changes in fair value recognised in the Consolidated Statement of Comprehensive Income. This category includes derivative instruments, listed equity investments, collective investment schemes, unlisted equity investments, debt instruments such as government and corporate bonds, and money market deposits. Dividends on listed equity investments are also recognised as other income in the Income Statement when the right of payment has been established. All derivative instruments of the university are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Details on how the fair value of financial instruments is determined are disclosed in note 19.

When securities classified as available-for-sale were sold, the accumulated fair value adjustments recognised in other comprehensive income were reclassified to profit or loss as gains and losses from investment securities.

Impairment

The group assessed at the end of each reporting period whether there was objective evidence that a financial asset or group of financial assets was impaired. A financial asset or a group of financial assets was impaired and impairment losses were incurred only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) had an impact on the estimated future cash flows of the financial asset or group of financial assets that could be reliably estimated.

Assets carried at amortised cost

The university recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the university expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and student fees receivables, the university applies a simplified approach in calculating ECLs. Therefore, the university does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The university has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Financial assets at amortised cost are written off when there is no reasonable expectation of recovering the contractual cash flows.

If, in a subsequent period, the amount of the Expected Credit Loss (ECL) decreased and the decrease could be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss was recognised in profit or loss. Impairment testing of trade receivables is described in note 19.

17.1 Trade and other receivables

Accounting policy:

Classification as trade receivables

Trade receivables are amounts due from customers or students for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows, and the cash flows represent solely payments of principal and interest. They therefore measures them subsequently at amortised cost using the effective interest method. Details about the group's impairment policies and the calculation of the loss allowance are provided in note 22.2.2.1.

Area of significant management judgement and estimation

The group assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset. Details about the group's impairment policies and the calculation of the loss allowance are provided in note 22.2.2.1.

	Notes	Group		University	
		2023 R ' 000	2022 R ' 000	2023 R ' 000	2022 R ' 000
Student debtors					
Gross student debtors		297 479	250 888	297 479	250 888
Less: Allowance for credit losses	22.2.2.1	(168 552)	(54 518)	(168 552)	(54 518)
Closing net carrying amount		128 927	196 370	128 927	196 370
Pre-paid expenses		12 962	13 184	12 962	13 184
Current tax receivable		-	-	-	-
Other trade receivables		92 164	103 990	91 322	102 880
Accrued interest on investments		41 312	37 725	41 312	37 725
Closing net carrying amount		146 438	154 900	145 597	153 789
Total trade and other receivables		275 365	351 269	274 523	350 159

Fair values of trade and other receivables

Due to the short-term nature of the trade and other receivables, their carrying amount is considered to be the same as their fair value. Also refer to note 19 for further disclosures relating to fair values.

Impairment and risk exposure

Information about the impairment of trade and other receivables and the group's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 22. The group does not hold any collateral as security.

Prepaid expenses

Prepaid expenses comprise that portion of expenses that is paid in the current year, but which is only applicable to the next financial year. Prepaid expenses normally do materialise and credit losses are therefore deemed minimal.

Other trade receivables

Other trade receivables consist of amounts owed by a number of reputable institutions, resulting from various grants / contracts or in accordance with other agreements.

Carrying amount of other trade receivables approximate their fair values.

Accrued interest on investments

Accrued interest is amounts due to the group by their investment portfolio manager on investments within the group's portfolio. Based on the history of no defaults, there is no expectation of defaults, also due to the fact that the portfolios are managed by well established and recognised institutions. A multi-manager approach further mitigates the exposure to credit risk.

17.2 Student and other loans

Accounting policy:

Loans to students are classified as financial assets measured at amortised cost. They are initially measured at fair value plus transaction costs. Subsequently, items included in this category are measured at the amortised cost, calculated based on the effective interest method, and interest income is included in profit/ loss for the period. The group holds these receivables with the objective to collect the contractual cash flows, and the cash flows represent solely payments of principal and interest. Net gains or losses represent reversals of impairment losses, impairment losses and gains, and losses on derecognition. Net gains or losses are included in other income or other expenses. Short-term receivables with no stated interest rates are measured at the original invoice amount if the effect of discounting is immaterial.

Area of significant management judgement and estimation

The group assesses its student loans for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset. Details about the group's impairment policies and the calculation of the loss allowance are provided in note 22.2.2.2

Financial assets at amortised cost include the following debt investments:

	Notes	Group		University	
		2023 R ' 000	2022 R ' 000	2023 R ' 000	2022 R ' 000
Student loans		-	26 502	-	26 502
Less: Allowance for credit losses	22.2.2.2		(26 492)		(26 492)
Student loans – net		-	10	-	10
Loans to third parties		-	-	-	-
Loans to related parties	24.4	35 667	33 180	35 667	33 180
		35 667	33 189	35 667	33 189

Student loans

All non-current student loans are due within five years from the relevant year-end. The interest rate is prime less 1 %. None of these loans were re-negotiated and no collateral were taken on any of these loans. Loans to students become repayable on completion of their studies. All loans are dominated in South African rand.

The classification of these loans are represented as follows:

Non-current student loans for students still studying – not yet repayable	-	1	-	1
Current student loans for students who completed their studies – repayable	-	26 501	-	26 501
	-	26 502	-	26 502

Loans to related parties

The loan to Farmovs, a fully owned subsidiary of the university, is considered non-current as an agreement was signed that the repayment of the loan will not commence within the next 12 months.

Fair values of other financial assets at amortised cost

The fair values of student loans:

Student loans	-	23 983	-	23 983
	-	23 983	-	23 983

The fair value of the student loans were based on the cash flows discounted using a rate based on the prime rate of 10,5% in 2022. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk (See note 22.2.2.2)

Due to the short-term nature of the other loan receivables, their carrying amount is considered to be the same as their fair value.

Further information relating to loans to related parties is disclosed in note 24.4

Impairment and risk exposure

Note 22 sets out information about the impairment of financial assets and the group's exposure to credit risk.

The maximum exposure to credit risk at the reporting date is the fair value of each of the receivables mentioned above.

17.3 Cash and cash equivalents

Accounting policy:

Classification as cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

	Group		University	
	2023 R ' 000	2022 R ' 000	2023 R ' 000	2022 R ' 000
Current assets				
Cash and cash equivalents	178 891	130 483	177 928	130 287

Additional information relating to cash and cash equivalents of the university

Although the university have an overdraft account at ABSA, the facility were not utilised as at 31 December 2023 or 2022. The overdraft is managed on the agreement that interest would only be levied if the overdraft exceeds the positive account balance.

The weighted average effective interest rate on short-term bank deposits was 6,53% (2022: 3,72%).

Cash and bank balances are encumbered by guarantees of R3,5 million provided to Centlec.

Reconciliation to cash flow statement

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year. Also refer to note 20 for further detail regarding cash flows of the group.

Risk exposure and fair value measurements

Information relating to risk exposure and fair value measurement can be found in note 22.

The fair value of cash and cash equivalents approximate their carrying amounts.

The group places cash and cash equivalents with reputable financial institutions, mostly banking institutions, to limit credit risk. The maximum exposure to credit risk at the reporting date is the carrying value of the cash and cash equivalents.

17.4 Financial assets at fair value through profit or loss

Accounting policy:

Classification of financial assets as available-for-sale

The group classifies the following financial assets at fair value through profit or loss (FVPL):

- debt investments that do not qualify for measurement at either amortised cost,
- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

The financial assets were presented as non-current assets unless they matured, or management intended to dispose of them within 12 months of the end of the reporting period.

	Group		University	
	2023 R ' 000	2022 R ' 000	2023 R ' 000	2022 R ' 000
Opening net carrying amount	9 718 094	9 095 070	9 691 754	9 067 071
Additions	6 673 700	8 942 645	6 672 731	8 940 986
Disposals	(6 130 373)	(7 579 260)	(6 130 373)	(7 579 260)
Fair value movements through profit and loss.	837 629	(740 361)	834 226	(737 043)
Closing net carrying amount	11 099 050	9 718 094	11 068 339	9 691 754

Investments comprise marketable securities and cash funds within an investment portfolio, managed by independent fund managers as per approved mandates, that are revalued annually at the close of business on 31 December with reference to Stock Exchange quoted prices.

Non-current financial assets at fair value through profit and loss

Opening net carrying amount	6 483 574	6 291 644	6 460 599	6 266 839
Additions	2 632 620	3 950 273	2 631 941	3 948 785
Disposals	(2 177 915)	(3 005 800)	(2 177 915)	(3 005 800)
Fair value movements through profit and loss	844 107	(752 543)	840 704	(749 225)
Closing net carrying amount	7 782 387	6 483 574	7 755 330	6 460 599

Current financial assets at fair value through profit and loss

Opening net carrying amount	3 234 520	2 803 426	3 231 155	2 800 233
Additions	4 041 080	4 992 373	4 040 790	4 992 201
Disposals	(3 952 458)	(4 573 461)	(3 952 458)	(4 573 461)
Fair value movements through profit and loss	(6 478)	12 182	(6 478)	12 182
Closing net carrying amount	3 316 663	3 234 520	3 313 009	3 231 155

Investments to the value of R146 million were provided as security for the FirstRand Bank loan (Note 17.6). These investments are managed within the portfolios of the Coronation and Allan Gray fund managers of the university.

Risk exposure and fair value measurements

Information about the group's exposure to price risk is provided in note 22. For information about the methods and assumptions used in determining fair value please refer to note 19 below.

17.5 Trade and other payables

Accounting policy:

Trade and other receivables:

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Provisions:

Provision is recognised when the group has a current statutory or constructive obligation as a result of a past binding occurrence which probably will lead to an outflow of resources in the form of economic benefits to meet the obligation and when a reasonable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the expected future expenditure to meet the obligation, discounted at a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Provisions are not recognised for future operating losses.

	Notes	Group		University	
		2023 R ' 000	2022 R ' 000	2023 R ' 000	2022 R ' 000
Trade payables		128 650	79 838	114 230	67 214
Finance lease liabilities		-	-	-	-
Other payables and provisions	17.5.1	122 073	141 931	120 244	141 771
Third party payments relating to payroll deductions		52 215	25 183	52 215	25 183
Student deposits		7 596	12 494	7 596	12 494
Tuition fees creditors		53 576	56 654	53 576	56 654
Agency funds *		444 922	687 766	444 922	687 766
Total trade and other payables		809 032	1 003 866	792 783	991 082

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature. Trade and other payables are denominated in South African rand.

* Agency funds represent funds that the group manage on behalf of a third party. The balance of transactions is repayable to the third parties after transactions are finalised e.g. bursaries managed on the behalf of third parties. The majority of the funds relate to NSFAS.

Trade payables classified as non-financial liabilities included above

Taxes	26 835	33 874	26 835	33 874
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17.6 Borrowings

Accounting policy:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs are expensed in the period in which they are incurred.

	Group		University	
	2023 R ' 000	2022 R ' 000	2023 R ' 000	2022 R ' 000
Non-current portion of borrowings				
Development Bank of South Africa	65 733	66 448	65 733	66 448
FirstRand Bank	117 764	120 078	117 764	120 078
Other loans	-	-	-	-
Current portion of long term borrowings				
Current portion	-	-	-	-
	183 496	186 527	183 496	186 527

Borrowings are from FirstRand Bank and the Development Bank of South Africa. Both are denominated in South African rand.

The borrowings from the Development Bank of South Africa was entered into on 17 December 2015 and amounted to R64,5 million at inception. The loan matures in 2035 and bears interest at a fixed rate of 12,04% p.a.

The loan from FirstRand Bank matures in 2033 and bears interest at a fixed rate of 10,13% p.a.

Other loans relate to a loan entered into between Farmovs (Pty) Ltd and Avacare Share Services. This loan does not carry any interest.

	2023 R ' 000	2022 R ' 000
Maturity of borrowings (Future cash flows)		
Within one year	24 774	23 046
Between two and three years	55 263	51 407
Between four and five years	63 863	59 407
Between six and seven years	73 801	68 652
After seven years	85 781	124 016

Assets pledged as security

Borrowings from FirstRand Bank is secured by investments as disclosed in note 17.4. Other borrowings are unsecured.

Risk exposure and fair value measurements

Details of the group's exposure to risks arising from current and non-current borrowings are set out in note 22. For information about the methods and assumptions used in determining fair value please refer to note 19 below.

18. Non-financial assets and liabilities

This note provides information about the group's non-financial assets and liabilities, including specific information about each type of non-financial asset and non-financial liabilities. Detailed notes are provided on:

- property, plant and equipment (note 18.1)
- investment properties (note 18.2)
- intangible assets (note 18.3)
- inventories (note 18.4)
- biological assets (note 18.5)
- employee benefit obligations (note 18.6)
- deferred income (note 18.7)
- deferred tax balances (note 18.8)

Accounting policy:

Individual accounting policies of non-financial assets and liabilities are disclosed under each separate sub-note of note 18. However, the accounting policy relating to impairment of non-financial assets is disclosed below as this is consistent for all non-financial asset classes.

Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are recognised at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

18.1 Property, plant and equipment

Accounting policy:

Land and buildings mainly consist of lecture halls, laboratories, hostels and administrative buildings. All property (including investment properties – note 18.2), plant and equipment are recorded at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Property, plant and equipment acquired by means of donations are recorded at fair value at the date of the donation through profit and loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Equipment are recognised at cost, excluding donations of books and equipment, which are recognised at fair market values on the date of donation. All equipment is subsequently measured at cost less accumulated depreciation and books are expensed in the year of acquisition. Land is not depreciated as it is deemed to have an indefinite useful life. Other assets are depreciated by using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

The depreciation methods and periods used by the group are disclosed in the note below.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Work in progress is included at cost and not depreciated until completed and brought into use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings. When assets are leased out under an operating lease, the asset is included in the balance sheet based on the nature of the asset.

Area of significant management judgement and estimation

The group uses its judgement in determining the residual value of assets as well as the useful lives of each category of assets.

	Group					
2023	Land and buildings	Vehicles	Computer equipment	Furniture and equipment	Other **	Total
Non-current	R ' 000	R ' 000	R ' 000	R ' 000	R ' 000	R ' 000
At 1 January 2023						
Cost	1 855 412	42 582	376 771	796 648	16 782	3 088 194
Accumulated depreciation	(441 209)	(19 354)	(203 651)	(382 577)	(12 043)	(1 058 834)
Net carrying amount	1 414 203	23 228	173 120	414 071	4 739	2 029 360
Year ended 31 December 2023						
Additions	178 957	9 065	35 958	81 637	386	306 003
Buildings under construction	8 342	-	-	-	-	8 342
Disposals	71	(42)	(4 294)	325	-	(3 940)
Depreciation charge	(29 055)	(2 951)	(34 163)	(68 065)	(349)	(134 584)
At 31 December 2023						
Cost	2 041 849	50 815	395 635	870 806	17 168	3 376 273
Accumulated depreciation	(469 332)	(21 515)	(225 015)	(442 837)	(12 393)	(1 171 092)
Net carrying amount	1 572 517	29 299	170 620	427 969	4 776	2 205 181

** Other assets include software cost, art collections and library books

Government grants to the amount of R517,900 m were applied against the cost of the relevant asset when the asset was procured or constructed, in accordance with IAS 20.

	University					
2023 Non-current	Land and buildings R ' 000	Vehicles R ' 000	Computer equipment R ' 000	Furniture and equipment R ' 000	Other ** R ' 000	Total R ' 000
At 1 January 2023						
Cost	1 852 670	42 582	376 710	796 121	16 782	3 084 866
Accumulated depreciation	(440 995)	(19 354)	(203 616)	(382 315)	(12 043)	(1 058 324)
Net carrying amount	1 411 675	23 228	173 095	413 806	4 739	2 026 542
Year ended 31 December 2023						
Additions	177 700	9 065	35 958	81 493	386	304 602
Buildings under construction	8 342	-	-	-	-	8 342
Disposals	71	(42)	(4 294)	325	-	(3 940)
Depreciation charge	(28 963)	(2 951)	(34 157)	(68 028)	(349)	(134 449)
At 31 December 2023						
Cost	2 037 851	50 815	395 575	870 135	17 168	3 371 544
Accumulated depreciation	(469 027)	(21 515)	(224 973)	(442 540)	(12 393)	(1 170 447)
Net carrying amount	1 568 825	29 299	170 601	427 596	4 776	2 201 097

** Other assets include software cost, art collections and library books

	Group					
2022 Non-current	Land and buildings R ' 000	Vehicles R ' 000	Computer equipment R ' 000	Furniture and equipment R ' 000	Other ** R ' 000	Total R ' 000
At 1 January 2022						
Cost	1 599 611	35 264	409 015	722 675	27 047	2 793 612
Accumulated depreciation	(406 075)	(19 170)	(227 306)	(345 648)	(22 225)	(1 020 424)
Opening net carrying amount	1 193 535	16 093	181 709	377 028	4 822	1 773 188
Year ended 31 December 2022						
Additions	143 318	9 532	51 769	100 026	189	304 835
Buildings under construction	112 330	-	-	-	-	112 330
Disposals	(13 638)	(230)	(28 811)	(12 461)	997	(54 143)
Depreciation charge	(21 342)	(2 168)	(31 548)	(50 522)	(1 270)	(106 849)
At 31 December 2022						
Cost	1 832 518	42 582	376 771	796 648	16 782	3 065 300
Accumulated depreciation	(418 315)	(19 354)	(203 651)	(382 577)	(12 043)	(1 035 940)
Net carrying amount	1 414 203	23 228	173 120	414 071	4 739	2 029 360

** Other assets include software cost, art collections and library books

Government grants to the amount of R498,771 m were applied against the cost of the relevant asset when the asset was procured or constructed, in accordance with IAS 20.

University						
2022 Non-current	Land and buildings R ' 000	Vehicles R ' 000	Computer equipment R ' 000	Furniture and equipment R ' 000	Other ** R ' 000	Total R ' 000
At 1 January 2022						
Cost	1 574 174	34 943	350 899	709 760	24 880	2 694 656
Accumulated depreciation	(396 827)	(18 946)	(191 885)	(343 834)	(19 826)	(971 318)
Opening net carrying amount	1 177 348	15 997	159 014	365 926	5 054	1 723 338
Year ended 31 December 2022						
Additions	143 272	9 532	51 210	100 026	157	304 197
Buildings under construction	112 330	-	-	-	-	112 330
Disposals	-	(143)	(7 131)	(1 812)	(142)	(9 228)
Depreciation charge	(21 275)	(2 159)	(29 998)	(50 333)	(330)	(104 094)
At 31 December 2022						
Cost	1 829 776	42 582	376 710	796 121	16 782	3 061 972
Accumulated depreciation	(418 101)	(19 354)	(203 616)	(382 315)	(12 043)	(1 035 430)
Net carrying amount	1 411 675	23 228	173 095	413 806	4 739	2 026 542

** Other assets include software cost, art collections and library books

No property, plant and equipment were pledged as security.

Revaluation, depreciation methods and useful lives

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follows:

- Buildings 10 – 50 years
- Components of buildings:
 - Air conditioners 10 – 20 years
 - Lifts 10 – 20 years
- Vehicles 5 – 8 years
- Furniture and equipment 5 – 20 years
- Computer equipment – 3 – 10 years
- Other assets:
 - Museum and art collections are written off in the year of acquisition.
 - Library books are expensed in the year of acquisition

18.2 Investment property

Accounting policy:

Investment property is held to earn income and appreciate in capital value. Excluded are properties used by the group, as well as those being constructed or developed for future use by the group.

Investment properties are initially recognised at fair value and subsequently treated as non-current assets. It is then carried at cost less accumulated depreciation. Investment properties are depreciated by using the straight-line method to allocate their cost to their residual values over their estimated useful lives, which is estimated at 50 years.

Gains and losses on disposal of investment property are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

Area of significant management judgement and estimation

The group uses its judgement in determining the residual value of assets as well as the useful lives of each category of assets. The group also uses its judgement to determine the valuation techniques, which is the discounted cash flow approach as well as the assumptions used to determine the fair value of the property for disclosure purposes.

A discount rate of 11% for 2023 (11% for 2022) was used for the Thakaneng Bridge due to all expenses associated with the property being paid by the landlord and the fact that turnover is only applicable for 10 months of the year.

	Group		University	
	2023 R ' 000	2022 R ' 000	2023 R ' 000	2022 R ' 000
Non-current assets				
Cost at the beginning of the year	15 070	30 002	15 070	52 743
Accumulated depreciation beginning of the year	(4 397)	(11 317)	(4 397)	(26 864)
Opening net carrying amount	10 673	18 685	10 673	25 879
Depreciation charge	(301)	6 920	(301)	22 467
Derecognition of investment property	-	(14 932)	-	(37 673)
Cost at the end of the year	15 070	15 070	15 070	15 070
Accumulated depreciation end of the year	(4 699)	(4 397)	(4 699)	(4 397)
Closing net carrying amount	10 372	10 673	10 372	10 673

Amounts recognised in profit or loss for investment properties

Rent received on investment property	6 589	240	6 589	240
Direct operating expenses relating to Thakaneng Bridge	3 240	2 879	3 240	2 879

Investment property consists mainly of the Thakaneng Bridge on campus, where various shops are let to small businesses, as well as buildings let to a subsidiary of the University, Farmovs (Pty) Ltd.

Fair value

Fair value of investment property	59 573	58 844	59 573	58 844
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Useful live

Property is depreciated over a 50 years economic useful life.

Leasing arrangements

Some of the investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows:

Operating lease receivable commitments

The future minimum lease receivables under non-cancellable operating leases are as follows:

	Group		University	
	2023	2022	2023	2022
	R ' 000	R ' 000	R ' 000	R ' 000
Not later than one year	12 897	4 310	12 897	11 955
Later than one year and not later than five years	12 620	4 611	12 620	19 548
Later than five years	1 586	478	1 586	478
Total future cash flows	27 103	9 399	27 103	31 981
Lease income already accrued due to straightlining of leases	(1 407)	(806)	(1 407)	(759)
Future receivables	25 695	8 593	25 695	31 223

Also refer to note 24.4 for disclosure of related party transactions.

18.3 Intangible assets

Accounting policy:

Trademarks, licences, and customer contracts

Separately acquired trademarks and licences are shown at historical cost. Trademarks, licenses and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Research and development

Research expenditure and development expenditure that do not meet the criteria under software above are recognised as an expense as incurred.

Research and development expenditure relating to patents is recognised as an expense except that costs incurred on development projects are recognised as development assets (intangible assets) to the extent that such expenditure is expected to have future economic benefits. However, development costs initially recognised as an expense are not recognised as an asset in a subsequent period. Development costs that have been capitalised are amortised from the registration on a straight-line basis over the period of their expected benefit.

Amortisation methods and periods

Refer to note below for details about amortisation methods and periods used by the group for intangible assets.

Derecognition

An intangible asset shall be derecognised: on disposal; or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of intangible assets are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

Area of significant management judgement and estimation

The group uses its judgement in determining the residual value of assets as well as the useful lives of each category of assets. The actual useful life may be shorter or longer than 20 years, depending on technical innovations and competitor actions.

	Group		University	
	Patents, trademarks and other rights			
	2023	2022	2023	2022
	R ' 000	R ' 000	R ' 000	R ' 000
Non-current				
At 1 January				
Cost	7 754	7 026	7 754	7 026
Accumulated depreciation	(2 910)	(2 284)	(2 910)	(2 284)
Opening net carrying amount	4 845	4 742	4 845	4 742
Additions	951	519	951	519
Disposals	(1 479)	79	(140)	79
Depreciation charge	(988)	(495)	(988)	(495)
At 31 December				
Cost	8 352	7 754	8 352	7 754
Accumulated depreciation	(3 684)	(2 910)	(3 684)	(2 910)
Net carrying amount	4 668	4 845	4 668	4 845

Intangible assets for the university consist of self-developed patents by the University of the Free State.

Amortisation methods and useful lives

The group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

- Patents 20 years

18.4 Inventory

Accounting policy:

Inventories mainly comprise consumer goods and stationery. Inventories are stated at the lower of cost, on the basis of weighted average cost for all categories, or net realisable value. The carrying amounts of different classifications of inventory are disclosed. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

	Group		University	
	2023	2022	2023	2022
	R ' 000	R ' 000	R ' 000	R ' 000
Current assets				
Inventories comprise the following items:				
Sundry – mostly stationery, cleaning material, furniture and fuel	7 775	6 935	7 775	6 935
Food	2 406	2 133	2 406	2 133
	10 181	9 068	10 181	9 068

In 2023, R 0,108 m (2022 R 0,051 m) were recognised as write-off of inventory shortages in the consolidated statement of comprehensive income.

18.5 Biological assets

Accounting policy:

Livestock is mainly held at experimental farms of the university and by a subsidiary, the Lila Theron Trust. They are assessed based on fair values less estimated point-of-sale costs at appropriate reporting dates. Gains and losses arising from changes in the fair values are recorded in net profit or loss for the period in which they arise. The determination of fair value is based on active markets, at auction of livestock of similar age, breed or genetic merits, with adjustments where necessary to reflect the differences. All the expenses incurred in establishing and maintaining the assets is recognised in the statement of comprehensive income. All costs incurred in acquiring biological assets are capitalised. Finance charges are not capitalised.

	Group		University	
	2023	2022	2023	2022
	R ' 000	R ' 000	R ' 000	R ' 000
Current assets				
Biological assets comprise the following:				
Opening net carrying amount	2 957	5 122	735	3 018
Livestock purchased	875	132	-	-
Livestock sold	(1 140)	(1 414)	-	(370)
Market value adjustment	5 178	(882)	4 431	(1 914)
Closing net carrying amount	7 869	2 957	5 166	735

Livestock is held on the experimental farms and the land held by the Lila Theron Trust. It consists of game, cattle and sheep. Fair values of livestock are based on market prices of similar livestock in the Free State region at year-end. Prices were provided by an independent auctioneer. Fair values are within level 3 of the fair value hierarchy. Refer to note 19 for further disclosures regarding fair values of biological assets.

18.6 Employee benefits***Accounting policy:*****(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet

(ii) Other long-term employee benefit obligations

The group also has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The group operates various post-employment schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

The schemes are generally funded through payments to trustee-administered funds, determined by periodic actuarial calculations. The university has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the university pays fixed contributions into a separate entity. The university has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

For defined contribution plans, the university pays contributions to trustee administered funds. The university has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Pension obligations

The liability or asset recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs. For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

		Group and University					
		2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
		R ' 000	R ' 000	R ' 000	R ' 000	R ' 000	R ' 000
Notes							
Leave obligations	18.6.1	(12 150)	(226 072)	(238 222)	(8 760)	(190 637)	(199 397)
Defined pension benefits	18.6.2	-	200 315	200 315	-	231 239	231 239
Post-employment medical benefits	18.6.3	-	(446 135)	(446 135)	-	(454 587)	(454 587)
Post-employment group life insurance	18.6.4	-	(37 920)	(37 920)	-	(32 692)	(32 692)
Total employee benefit obligations		(12 150)	(509 812)	(521 962)	(8 760)	(446 677)	(455 437)

Statement of Comprehensive Income charge for:

		Group and University	
		2023	2022
		R'000	R'000
Pension benefits		(23 784)	(12 414)
Post employment medical obligations		32 989	38 802
		9 205	26 388

Other Comprehensive Income gain / (loss) for:

Post employment group life benefit	(5 228)	(8 140)
Pension benefits	(57 354)	17 093
Post employment medical obligations	41 441	36 738
	(21 141)	45 691

All employee benefit obligations for the group relate to employees of the University and no additional obligations exist for any of the other group entities. Therefor only information relating to the University is disclosed in notes 18.6.2 to 18.6.3..

18.6.1 Leave obligations

	Group		University	
	2023	2022	2023	2022
	R ' 000	R ' 000	R ' 000	R ' 000
Opening net carrying amount	199 397	169 414	199 397	169 414
Leave payouts	(517)	(4 609)	(517)	(4 609)
Accrued	39 342	34 593	39 342	34 593
Closing net carrying amount	238 222	199 397	238 222	199 397
Current portion of leave obligations	(12 150)	(8 760)	(12 150)	(8 760)
Non-current portion of leave obligations	(226 072)	(190 637)	(226 072)	(190 637)

From 1 January 2022, the number of vacation leave days for which academic and research staff qualify, is 30 working days per year of which a maximum of five (5) vacation leave days per year will be accumulative.

For Support service staff, employees on Peromnes Level 1 – 6 qualify for 30 days vacation leave per year, Peromnes Level 7 – 13 qualify for 28 days vacation leave per year and Peromnes level 14 – 18 qualify for 24 days vacation leave per year. A maximum of five (5) vacation leave days per year will be accumulative. Compulsory vacation leave consists of number of vacation leave a staff member qualifies for, minus five (5) working days which are accumulative. This applies to both academic and support staff. This compulsory leave must be taken during the leave cycle or within six months after the expiry of the cycle. Compulsory leave not taken within 18 months will not be transferred to the next leave cycle.

A maximum of six months' leave gratuity is payable in respect of the vacation leave to a staff member's credit when he or she terminates his or her services as a result of death, retirement, medical unfitness or rationalisation. Staff members that were employed prior to 01 January 2013 and who had a leave credit of more than six (6) months (129.90 days) on 31 December 2012, will be paid the leave credit as on 31 December 2012, up to a maximum of nine (9) months (194.85 days). According to the Basic Conditions of Employment Act (BCEA), staff members are entitled to accrue fifteen (15) days vacation leave in a leave cycle of 12 months, which is the only leave compulsory to be paid out by an employer at termination of service. These prescribed days as per the BCEA will also accrue first for utilisation by a staff member before any additional leave gratuity can be accumulated.

The leave accrual is based on valuations performed by management.

The principal actuarial assumptions used for accounting purposes were:

	2023	2022
Discount rate	10,00%	6,30%
Future salary increases, excluding merit promotions	4,50%	7,30%

18.6.2 Retirement benefit surplus/ (obligations)

	University	
	2023	2022
	R ' 000	R ' 000

Pension benefits

The amounts recognised in the statement of financial position and the movements in the net defined benefit obligation over the year are as follows:

Present value of obligation	1 517 486	1 477 637
Fair value of plan assets	1 832 937	1 771 641
(Funded) / unfunded obligation according to actuarial valuation	(315 451)	(294 004)
Effect of write down to asset ceiling	115 136	62 765
Liability/(assets) in the statement of financial position	(200 315)	(231 239)

Change in defined benefit obligation

Defined benefit obligation at beginning of year	1 477 637	1 569 948
Interest cost	155 627	150 549
Current service cost	2 790	6 496
Benefit payments	(183 687)	(174 326)
Employee contributions	1 450	2 074
Actuarial (gain)/loss	63 669	(77 104)
Defined benefit obligation at end of year	1 517 486	1 477 637

Change in defined benefit asset

	University	
	2023 R ' 000	2022 R ' 000
Asset at fair value at beginning of year	1 771 641	1 805 498
Employer contributions	2 646	3 821
Employee contributions	1 450	2 074
Interest income on defined benefit assets	188 473	173 924
Actual return earned in excess of interest income	52 414	(39 350)
Benefit payments	(183 687)	(174 326)
Asset at fair value at end of year	1 832 937	1 771 641

The amounts recognised in the statement of comprehensive income are as follows:

Cost /(credit) recognised in surplus / (deficit) as part of employee cost (note 18)

Current service cost	2 790	6 496
Interest cost	155 627	150 549
Interest income	(188 473)	(173 924)
Interest on asset ceiling	6 272	4 465
	(23 784)	(12 414)

(Gain) / loss recognised in other comprehensive income

Adjustment to asset ceiling	46 099	20 661
Return on plan assets in excess of interest	(52 414)	39 350
Actuarial (gain)/loss	63 669	(77 104)
Total (gain) / loss	57 354	(17 093)

The principal actuarial assumptions used for accounting purposes were:

	2023	2022
Discount rate	11,20%	11,20%
Future price inflation	6,20%	6,30%
Future salary increases, excluding merit promotions	7,20%	7,30%
Future pension increases (Cat A and B)	4,96%	5,04%
Future pension increases (Cat C)	2,48%	2,52%
Net discount rate - pre-retirement	3,73%	3,63%
Net discount rate - post-retirement (Cat A and B)	5,95%	5,86%
Net discount rate - post-retirement (Cat C)	8,51%	8,47%

Pension benefit arrangements

The Fund is a hybrid arrangement which includes in-service defined benefit and defined contribution members, defined contribution members with a defined benefit underpin and pensioners paid from the Fund. All new entrants join the defined contribution section of the Fund and the group of in-service defined benefit members is therefore a closed group.

The stated aim of the pension increase policy for category A and B pensioners paid from the Fund is to target pension increases between 75% and 100% of the increase in the Consumer Price Index on an annual basis (with pension increases being considered on 1 April of each year). The stated aim of the pension increase policy for category C pensioners paid from the Fund is to target pension increases equal to between 30% and 60% of the increase in the Consumer Price Index on an annual basis.

Full details of the benefits payable can be found in the rules of the Fund.

Governance

The responsibility for the governance of the fund rests with the trustees of the pension fund and not with the university.

Regulatory framework

The fund is subject to the Pension Funds Act ("the PFA"). In terms of the PFA an actuarial valuation of the fund must be performed at least once every three years. The last such valuation was performed as at 31 December 2020. If the fund was to be found to be in a deficit position (a financially unsound position), a special scheme designed to restore the solvency of the fund within an acceptable period would have to be lodged with the Registrar of Pension Funds. Such a scheme, could in certain circumstances, impose minimum funding requirements on the University. The PFA also stipulates that no actuarial surplus can be used for the benefit of the employer unless such actuarial surplus, or a part thereof, has been transferred to an employer surplus account.

Funding arrangements

The employer contributions required for defined contribution members of the Fund are limited to the regular (known) contributions set out in the rules of the fund. The university is, however responsible for funding the "balance of cost" of providing future defined benefit benefits in respect of defined benefit members and the cost of the "underpin" in respect of Category C members. The university would also be required to make additional contributions to fund any shortfall arising in the assets backing defined benefit member liabilities and "underpin" member liabilities. It is the practice of the fund trustees to grant pensioner increases subject to the affordability thereof.

Apportionment of surplus arising after the fund's surplus apportionment date

At the meeting of the trustees of the fund held on 18 June 2013, the trustees resolved as follows:

- Former members, pensioners and defined contribution members and living annuitants will receive their equitable share of "surplus" in their respective pools. It is therefore only surplus arising in the defined benefit in-service member section which would need to be apportioned in terms of Section 15C of the PFA.
- Future surplus arising in the defined benefit in-service member section of the fund will be determined and apportioned as follows:
 - Ensure solvency first – this is in the interests of all stakeholders. This means that the full solvency reserve (on a conservative valuation basis) will be fully funded before any future surplus is declared; and "
 - Allocate any future surplus to the employer surplus account.

It should be noted that, although the trustees have agreed to allocate / fund any future surplus / deficit arising from experience of the defined benefit in-service member pool to the employer surplus account, we have not made any allowance for the allocation / funding as at 31 December 2020. The amount to be allocated / funded can only be determined at a statutory valuation date and must be allocated to the employer surplus account by the trustees. Any (future surplus) amounts allocated to or funded from the employer surplus account will be reflected at subsequent IAS19 valuation dates.

Financial assumptions

The financial assumptions have been determined by Towers Watson (based on the principles set out in IAS19). These include:

- **Discount rate:** In the valuation of the liability as at 31 December 2022, the discount rate (11,20% per annum) was determined with reference to the duration of the Fund's DB liability. The duration of the Fund's DB liability was in the order of eight years. We have determined that the duration of the fund's DB liability has remained unchanged at eight years as at 31 December 2023.

As such, the discount rate was set by determining the level of the South African zero-coupon bond yield curve as at 31 December 2023 at a duration of eight years. The discount rate is 11,20% per annum at this duration.

- **Long-term price inflation rate:** We have assumed a long-term future inflation rate of 6,20% per annum. In setting this rate, we have applied a similar methodology to that used at the previous valuation date, that is:

Expected inflation = nominal bond yield less inflation-linked bond yield less inflation risk premium.

The applicable nominal bond yield has been determined in the same way as the nominal bond yield used in determining the discount rate, i.e. 11,20% per annum.

In order to determine the yield on inflation linked bonds (on the same basis as for nominal bonds) we have used the level of the South African zero-coupon real yield bond curve as at 31 December 2023. The corresponding yield from this curve (at a term of eight years) is 4,50% per annum at the valuation date.

Excluding an allowance for an inflation risk premium, implies an expected future inflation rate of 6,70% per annum (11,20% less 4,50% per annum). Our view is that based on market conditions at the valuation date, an inflation risk premium between 0,50% and 1,25% per annum is appropriate when determining the extent of the risk premium holders of nominal bonds currently require to compensate them for the risk that the value in their bonds may decline if inflation is higher than expected.

We have assumed an inflation risk premium of 0,50% for the purposes of this valuation. Based on the above, an expected inflation rate of 6,20% per annum has been assumed as at 31 December 2023 (i.e. 11,20% less 4,50% less 0,50%).

At the previous valuation date an inflation rate of 6,30% was assumed using a similar methodology as described above.

- **Salary inflation:** It has been assumed that inflationary salary increases will take place at a rate of 1,00% per annum in excess of price inflation, i.e. 7,20% per annum (7,30% used at the previous valuation date).
- **Pension increases (active members):** The fund's pension increase policy (as it applies to current fund pensioners and Category A and B members in retirement) is to target increases of between 75% and 100% of inflation, subject to the affordability thereof assessed with reference to a net discount rate of 4,5% per annum.

We have therefore allowed for pension increases of 4,96% per annum (being 80% of the assumed inflation rate of 6,20% per annum).

The net discount rate applied to Category A and B members in retirement is thus 5,95% per annum (calculated as $1.1120 \div 1.0496 - 1$).

In comparison, a pension increase assumption of 5,04% per annum was used at 31 December 2022, implying a net post retirement discount rate of 5,86% per annum at that date.

The Fund's pension increase policy (as it applies Category C members in retirement) is to target increases of between 30% and 60% of inflation, subject to the affordability thereof assessed with reference to a net discount rate of 6,50% per annum. A pension increase assumption of 2,48% per annum (being 40% of the assumed inflation rate of 6,20% per annum) would lead to a net discount rate of 8,51% (calculated as $1.1120 \div 1.0248 - 1$). In comparison, a pension increase assumption of 2,52% per annum was used at 31 December 2022, implying a net post retirement discount rate of 8,47% per annum at that date.

In terms of IAS19 the pension increase rate must be set independently of the discount rate. The affordability of the pension increases for the current valuation were determined with reference to the fund's expected return on assets as per the most recent statutory valuation.

- **Financial assumptions: Pensioner Liabilities:** The pensioner liability has been priced off the zero-coupon real and nominal bond yield curves as at 31 December 2023. Provision has been made for annual pension increases (with effect from 1 April 2024 onwards) of 80% of market-implied inflation (for Category 1 pensioners) and 40% of market-implied inflation (for Category 2 pensioners).
- **Net discount rate:** The net discount rate applied to in-service members is 3,73% per annum (calculated as $1.1120 \div 1.0720 - 1$). This is higher than the 40% of Earnings Yield basis (3,66% per annum) discount rate specified in the Regulations to the PFA for the calculation of the Minimum Individual Reserve.

We highlight that the difference between the various financial assumptions is generally more important than the absolute assumptions. The net pre-retirement discount rate has increased from 3,63% to 3,73% per annum, and the net post-retirement discount rate has increased from 5,86% to 5,95% per annum (for Category A and B members). This implies, with all else being equal, that there will be a net decrease in the calculated in-service liabilities as a result of a change in the financial assumptions.

An approximate split of the fund's assets by asset class as at 31 December 2023 is set out below:

Asset class	Category A & B in-service members	Category C in-service members	Pensioners	Liability weighted average
SA equities	16,5%	31,7%	0,0%	2,5%
SA property	5,9%	6,6%	1,6%	2,3%
SA nominal bonds	35,1%	16,0%	0,0%	5,4%
SA inflation-linked bonds	0,0%	0,0%	69,5%	58,8%
SA cash	3,6%	1,6%	2,2%	2,4%
International equities	27,5%	32,2%	17,5%	19,0%
Other	11,4%	11,9%	9,2%	9,6%
Total	100,0%	100,0%	100,0%	100,0%

An approximate split of the fund's assets by asset class as at 31 December 2022 is set out below:

Asset class	Category A & B in-service members	Category C in-service members	Pensioners	Liability weighted average
SA equities	16,5%	31,7%	0,0%	2,5%
SA property	5,9%	6,6%	1,6%	2,3%
SA nominal bonds	35,1%	16,0%	0,0%	5,4%
SA inflation-linked bonds	0,0%	0,0%	69,5%	58,8%
SA cash	3,6%	1,6%	2,2%	2,4%
International equities	27,5%	32,2%	17,5%	19,0%
Other	11,4%	11,9%	9,2%	9,6%
Total	100,0%	100,0%	100,0%	100,0%

Note that there is a cash flow matching strategy in place in respect of a portion of the pensioner liability at the current valuation date.

	R'000 2023	R'000 2022	R'000 2021	R'000 2020	R'000 2019
Present value of obligation	1 517 486	1 477 637	1 569 948	1 570 823	1 653 504
Fair value of plan assets	1 832 937	1 771 641	1 805 498	1 737 832	1 805 524
(Funded)/unfunded obligation	(315 451)	(294 004)	(235 550)	(167 009)	(152 020)

Demographic assumptions in respect of Category A, B and C members and pensioners

The valuation basis in respect of the fund's demographical assumptions remains unchanged from those used at the previous valuation date.

The following mortality tables have been used:

- Before retirement: Mortality table SA85-90(light)
- After retirement: PA(90) rated down 2 years

The same rates of resignation and ill-health as those adopted at previous statutory valuation of the fund have been used.

All members are assumed to retire at age 65, but provision is made for early retirement at the same rates as those adopted at previous statutory valuation of the fund. However, for the purposes of calculating the Minimum Individual Reserve, an average normal retirement age of 64 has been assumed.

Salary increases have been taken into account as the sum of general salary inflation and promotional / merit increases per age. The promotional / merit increase is based on the same tables as per the previous valuation.

Although IAS19 recommends making allowance for improvements in post-retirement mortality, we have not made such allowance at the valuation date. The post retirement mortality assumption is set to be consistent with the assumption used in the last statutory valuation of the fund (as at 31 December 2020) in which the valuator confirms the appropriateness of the assumption used. Improvements in post-retirement mortality will be allowed for in future should the fund valuator consider this appropriate for the statutory valuations of the fund.

One of the key drivers of the financial position of the fund over the long term is pensioner longevity. If pensioners live longer (because of medical advancement, for example) than we have budgeted for, all other things being equal, a shortfall will arise.

100% of in-service members will be married at retirement with husbands being three years older than their wives. (For pensioners, the actual marital status is taken into account.)

Analysis of actuarial gains and losses

The table below sets out the actuarial gains and losses due to changes in demographic assumptions and changes in financial assumptions:

	2023	2022
	R'000	R'000
Actuarial gain \ (loss) due to changes in demographic assumptions	-	-
Actuarial gain \ (loss) due to changes in financial assumptions	(14 614)	145 232
Actuarial gain \ (loss) due to experience differing from assumptions	(49 055)	(68 128)
Total actuarial gain \ (loss) arising	(63 669)	77 104

The actuarial loss due to changes in financial assumptions is due to the weakening of both the pre-retirement basis and post-retirement bases from the previous valuation date. The net pre-retirement discount rate has increased from 3,63% per annum to 3,73% per annum and the net post retirement discount rate for pensioners has increased from 5,86% per annum to 5,95% per annum. This was offset by the yield curve and first pension increase assumptions, compared to the previous valuation, which increased the pensioner liability. The net effect of these changes has resulted in an actuarial loss.

The actuarial loss due to changes in experience differing from assumptions is partly due to actual pension increases being higher than expected. There are other miscellaneous items arising from, amongst other things, membership movements during the inter-valuation period.

Fund liability position

Category

	2023	2022
	R'000	R'000
In-service member liability	196 098	226 743
Pensioner liability	1 321 388	1 250 894
Combined liability	1 517 486	1 477 637
Current service cost	2 178	2 790

The liability reflected above includes the liability in respect of disability claimants in each of the relevant categories, where applicable. The cost of the Category D members' in-fund retirement option is very sensitive to the difference between the net post-retirement discount rate on the ongoing funding valuation basis of 5,86% p.a (for DB active members) and on the IAS19 valuation basis of 5,95% p.a. At the previous valuation date the net post retirement discount rates were 5,26% p.a. and 5,86% p.a. respectively.

The results above reflect a net increase of R39 850 000 in the liabilities. The net increase is made up of the following items:

- Increase through the service cost;
- Increase through the interest cost;
- Increase through actuarial loss; and
- Decrease through benefit payments made (negative item).

An actuarial gain or loss results from the actual experience differing from that assumed at the previous valuation, as well as any changes in assumptions from the previous valuation.

Contributions towards funding defined benefit liabilities for the next financial reporting period.

The University currently contributes at 13.70% of members' pensionable salaries in respect of Category A, B and C members. Note that only a portion of the employer's contribution in respect of Category C members are applied towards funding defined benefit liabilities.

Category A members contribute at 8.0% of their pensionable salaries while Category B and C members contribute at 7.5% of their pensionable salaries. Similarly to the above, only a portion of the members' contributions in respect of Category C members are applied towards funding defined benefit liabilities.

Neither the University nor Category D members contribute towards funding the in-Fund retirement option as this option is cost neutral on the Fund's statutory valuation basis.

The expense for the defined contribution section of the Fund (i.e. including Category D members and the defined contribution component of Category C members) is equal to the University's contributions in respect of those members. This expense has not been disclosed in this report and the University should account for this separately in its financial statements.

Based on the above, the total expected contributions towards funding defined benefit liabilities for the financial reporting period ending on 31 December 2023 are:

	2023
	R '000
Employer contributions:	3 574
Member contributions:	1 956

Sensitivity analysis

Impact of 1% change in the salary inflation rate

The following table sets out the impact of a 1% change in the long-term salary inflation rate when compared to the calculated base liability at 31 December 2023.

	1% decrease 6.20% p.a. R'000	Base liability 7.20% p.a. R'000	1% increase 8.20% p.a. R'000
Defined benefit asset	1 832 937	1 832 937	1 832 937
In-service member liability	(196 098)	(196 008)	(196 189)
Pensioner liability	(1 321 388)	(1 321 388)	(1 321 388)
Funded /(Unfunded) status	315 451	315 541	315 360
% change in defined benefit liability	0,0%	0,0%	0,0%
% change in funded status	0,0%	0,0%	0,0%
One-year service cost	2 131	2 178	2 228
% change	-2,2%	0,0%	2,3%

Impact of 1% change in the discount rate

The following table sets out the impact of a 1% change in the discount rate when compared to the calculated base liability at 31 December 2023.

	1% decrease 10.20% p.a. R'000	Base liability 11.20% p.a. R'000	1% increase 12.20% p.a. R'000
Defined benefit asset	1 832 937	1 832 937	1 832 937
In-service member liability	(211 078)	(196 098)	(183 895)
Pensioner liability	(1 409 566)	(1 321 388)	(1 243 081)
Funded /(Unfunded) status	212 293	315 451	405 961
% change in defined benefit liability	6,8%	0,0%	-6,0%
% change in funded status	-32,7%	0,0%	28,7%
One-year service cost	3 462	2 178	1 940
% change	13,0%	0,0%	-10,9%

Impact of a one year change in the age rating of the post retirement mortality assumption

The following table sets out the impact of a one year change in the age rating of the post retirement mortality assumption when compared to the calculated base liability at 31 December 2023.

	Lower mortality PA(90) - 3 R'000	Base liability PA(90) - 2 R'000	Higher mortality PA(90) - 1 R'000
Defined benefit asset	1 832 937	1 832 937	1 832 937
In-service member liability	(198 980)	(196 098)	(193 146)
Pensioner liability	(1 362 781)	(1 321 388)	(1 279 899)
Funded /(Unfunded) status	271 176	315 451	359 892
% change in defined benefit liability	2,9%	0%	-2,9%
% change in funded status	-14,0%	0%	14,1%
One-year service cost	2 222	2 178	2 133
% change	2,0%	0,0%	-2,1%

18.6.3 Post-employment medical benefits

The University of the Free State operates a post-employment medical benefit scheme. The results of the actuarial valuation for the post-employment health care liabilities are in respect of its continuation and widow(er) members ('CAWMs') and their registered dependants for whom the university provides such a benefit. The method of accounting and the frequency of valuations are similar to those used for defined benefit pension schemes. Employees of the university are primarily members of Discovery Health Medical Scheme, but also participate in Bestmed Medical Scheme. The latest actuarial valuation was carried out as at 31 December 2023.

For the purpose of IAS 19 (AC 116), the university is not required to recognise the cross-subsidy liability. Therefore, the liabilities have been calculated on the contractual liabilities only.

University Subsidy policy

The employer pays a specified subsidy based on the date of retirement, date of employment and date of joining the medical scheme. The maximum subsidised amount increases in line with salary inflation, the future assumption of which is based on the actual salary inflation applied by the employer. The UFS applied a salary inflation of 0% for 2023/2024. Since it is unlikely that future salary increases will be 0%, we have assumed the future salary inflation to be CPI plus 0,5% p.a., consistent with the previous valuation.

We have therefore assumed a salary inflation rate of 7,42% (CPI + 0,5%) per annum.

In the previous valuation the salary inflation assumption was 7,61% p.a. *The maximum rand amount is R4 631 in respect of 2024.

The table below summarises the detailed post-employment subsidy.

Members	Post-employment	Death-in-service
CAWMs retired before 1 July 2005	Rand amount as provided by UFS (which was set at retirement) increasing at salary inflation	n/a
CAWMs retired after 1 July 2005	Rand amount as provided by UFS (which is based on 53% of the medical scheme contribution and applying the applicable individual subsidy) increasing at health care cost inflation limited to a maximum of R4,631*, which increases at salary inflation	n/a
Active members employed and joining the medical scheme before 1 July 2002	53% of the monthly contribution of the plan option on which the member participates subject to a maximum of R4,631*, increasing at salary inflation	Same as post-employment
Active members employed and joining the medical scheme between 1 July 2002 and 1 January 2014	5% of 53% of the monthly contribution of the plan option on which the member participates for each year of completed service and medical scheme membership before 31 December 2013, subject to a maximum of R4,631*, increasing at salary inflation	Same as post-employment
Active members employed or joining the medical scheme on or after 1 January 2014	0%	Same as post-employment

Pre-retirement benefit (death-in-service)

On the death of an employee of the employer, the above subsidy is paid towards the medical scheme contributions of the spouse or life partner of the deceased employee. The subsidy is payable for the rest of the qualifying spouse's or life partner's life.

Post-employment benefit

On the retirement of an employee of the employer, who is eligible for post-employment health care subsidisation, the abovementioned subsidy is paid towards the medical scheme contributions for the member and his/her spouse or life partner for the remainder of the retired employee's life. On the death of the retired employee, the above subsidy is paid towards the medical scheme contributions of the spouse or life partner of the deceased retired employee. The subsidy is payable for the rest of the qualifying spouse's or life partner's life. We have assumed that where a fixed rand amount was provided or the member has reached the maximum rand cap, that upon the death of the pensioner the surviving spouse will continue to receive the same level of post-employment health care subsidisation. However, where the level of subsidy is based on the medical scheme contributions, we have assumed that the level of contributions will decrease to take into account the reduced family size.

Medical scheme contributions

The employees and continuation members are members of Discovery Health Medical Scheme and Bestmed Medical Scheme. The subsidised contributions are expected to increase on 1 January each year. We applied the medical scheme contributions effective 1 January 2024. The fixed rand amounts and the maximum rand cap that was provided is also in respect of 2024. Please note that although the medical scheme contributions experienced an increase on 1 January 2024, the fixed rand subsidies and the maximum rand cap were not increased.

Key actuarial assumptions

The actuarial valuation method used is the Projected Unit Credit-method. The main actuarial assumptions are as follows:

	2023	2022
Discount rate	12,14%	11,93%
Health care cost inflation	8,92%	9,11%
Consumer price inflation (CPI)	6,92%	7,11%
Salary inflation	7,42%	7,61%
Real discount rate (With respect to salary inflation)	4,39%	4,01%
Normal retirement age	65	65
Expected average retirement age	63,7	63,2
Spouse age gap	3 years	3 years
Continuation at retirement	100,00%	100,00%
Proportion married at retirement	75,00%	75,00%
Orphan contribution cease age	21	21
Subsidy-weighted duration of total liability	10 years	10.2 years
Subsidy-weighted average lifetime of remaining members	17.4 years	17.8 years
Mortality pre-expected retirement age with consideration of actuary table, ref SA1985 - 90 LIGHT		
Mortality post-expected retirement age, with consideration of actuary table, ref PA (90) - 2		

* Previously, the normal retirement was 65 for all members employed before 1 April 1998 and 60 for all members employed on or after 1 April 1998

Discount rate

IAS19 requires that the market returns on high quality corporate interest bearing bonds should be used. Should a sufficiently deep market of high quality corporate bonds not exist, government interest bearing bonds must be used instead. The currency and term of the bonds should be consistent with the currency and estimated term of the liabilities.

We have therefore based the discount rate and inflation assumptions on the yields taken from the government zero coupon bond yield curves (so-called zero rates) as at 31 December 2023, at the appropriate term.

The discounted mean term of the liabilities is 10,0 years. We have therefore used a discount rate of 12,14% which is the nominal yield at a term of 10,0 years, taken from the South African government zero coupon bond yield curve as at 31 December 2023.

This discount rate only has real meaning if compared with the health care cost inflation (or the escalation in subsidised medical scheme contributions, which is salary inflation for UFS). The real discount rate, defined as the difference between the return on investment and the salary inflation, is thus of more importance. The salary inflation of 7,42% per annum (refer par 1.3) implies that a real discount rate of 4,39% per annum ($= 1,1214 \div 1,0742 - 1$) was used in the valuation.

A real discount rate of 4,01% per annum was used in the previous valuation.

Health care cost inflation

Medical scheme contributions have in the past increased at a significantly higher rate than general consumer price inflation. It is difficult (if not impossible) to predict the real rate (investment return minus health care cost inflation).

On 31 December 2023, the implied Consumer Price Inflation rate amounted to 6,92% p.a.

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It would be appropriate to assume that medical scheme contributions will increase at a faster rate than the increase in the CPI e.g. CPI plus 2% p.a.

We have therefore assumed a health care cost inflation rate of 8,92% (CPI + 2%) per annum.

In the previous valuation the health care cost inflation assumption was 9,11% p.a.

Salary inflation

The maximum subsidised amount increases in line with salary inflation, the future assumption of which is based on the actual salary inflation applied by the employer. The UFS applied a salary inflation of 0% for 2023/2024. Since it is unlikely that future salary increases will be 0%, we have assumed the future salary inflation to be CPI plus 0,5% p.a., consistent with the previous valuation. We have therefore assumed a salary inflation rate of 7,42% (CPI + 0,5%) per annum. In the previous valuation the salary inflation assumption was 7,61% p.a.

Consumer price Inflation (CPI)

The 10,0 year real yield taken from the South African government zero coupon bond yield curve was 4,88% per annum as at 31 December 2023. The long-term inflation rate of 6,92% per annum implied from the government bond yields is derived as follows:

- Nominal 10,0 year zero rate: 12,14%
- Real 10,0 year zero rate: 4,88%
- Implied price inflation: 6,92% $[(1,1214 \div 1,0488) - 1]$

In the previous valuation the inflation assumption was 7,11% p.a.

Proportion married

Since it is likely that the marital status of every employee will not be the same now as at retirement (particularly for the young single members), we have applied an assumption that a proportion of the members will be married at retirement, regardless of their current status. The proportion married at retirement assumed is 75%. We have assumed an age difference of three years (males being three years older than females). UFS – IAS 19 Valuation 31 December 2023 17/20 The current marital status of pensioners was used in the calculations.

Membership data

The valuation has been based on the membership data as at 30 November 2023 provided to us by the employer.

Mortality**Before retirement**

We assumed that the SA 85-90 (light) mortality table will be suitable in estimating the expected mortality experience. This table reflects the mortality experience of males assured with South African life assurance companies during the years 1985 to 1990. Females are rated down three years.

After retirement

The PA (90) mortality tables (for males and females) with an age reduction of two years have been used to estimate the likely mortality rate after retirement. These tables are based on the expected improving rate of pensioners in 1990, taken from the mortality rates of pensioners in England and Scotland between 1967 and 1970.

Withdrawals

Employees who resign or are retrenched do not receive any medical scheme contribution subsidies after their employment ends. Therefore possible future releases of liabilities would arise upon resignation or retrenchment.

Retirements

The normal retirement age for qualifying employees is 65. Subsidisation is payable to the main member should they retire early from age 55. We have made provision for this in the current valuation by assuming an expected retirement age to allow for early retirements. Early retirements vary based on gender and the normal retirement age for the membership. Therefore, the expected retirement age is based on the normal retirement age and gender composition.

Duration of liability

The average duration of the total liability is calculated as the average discounted mean term of the total liability.

Sensitivity analysis

The sensitivity analysis that illustrates how the results change under various alternative assumptions.

	2023				2022		
	Accrued liability (R'000s)	% Change in past-service contractual liability	Annual expense (R'000s)	% Change in service cost plus interest cost contractual liability	Accrued liability (R'000s)	% Change in past-service contractual liability	% Change in service cost plus interest cost contractual liability
No change in assumptions	446 135		58 718		454 587		
Mortality rate + 1	432 501	-3,10%	56 898	-3,20%	468 802	-3,10%	-3,20%
Mortality rate -1	459 770	3,10%	60 537	3,20%	440 397	3,10%	3,20%
Discount rate +1%	407 383	-8,70%	57 146	-2,70%	413 777	-9,00%	-2,90%
Discount rate -1%	492 046	10,30%	60 498	3,00%	503 150	11,70%	3,30%

	2023 R'000	2022 R'000	2021 R'000	2020 R'000
The value of unfunded obligations at year end:	446 135	454 587	423 495	491 175

The total estimated subsidised contribution payable by the employer in respect of post-employment health care benefits for the year following the valuation date is R26,989 million.

The amounts recognised in the statement of financial position were determined as follows:

	2023 R'000	2022 R'000
Present value of unfunded obligations		
Unfunded obligations in terms of active members	133 674	136 760
Unfunded obligations in terms of continuation and widowed members	312 461	317 827
Liability in the statement of financial position	446 135	454 587

The liabilities shown above are in respect of the employer's share of medical scheme contributions. Only the contractual liabilities are required to be recognised under the IAS 19 accounting standards.

No long-term assets are set aside in respect of the UFS' post-employment health care liabilities. Therefore, no assumption specifically relating to assets has been made.

Movement in the defined benefit obligation is as follows:

Opening net carrying amount	454 587	452 523
Current service cost	6 438	11 977
Interest cost	52 674	49 710
Benefits paid	(26 123)	(22 885)
Actuarial (gain)/loss	(41 441)	(36 738)
Closing net carrying amount	446 135	454 587

The amounts recognised in the statement of comprehensive income are as follows:

	2023	2022
	R'000	R'000
Current service cost	6 438	11 977
Benefits paid	(26 123)	(22 885)
Interest cost	52 674	49 710
Total included in staff cost	32 989	38 802

The amounts recognised as other comprehensive income are as follows:

Recognition of previously unrecognised actuarial loss / (gain)	(41 441)	(36 738)
Total included in other comprehensive income	(41 441)	(36 738)

Analysis of actuarial gains and losses

The table below sets out the actuarial gains and losses due to changes in demographic assumptions and changes in financial assumptions:

Actuarial gain \ (loss) due to change in experience adjustments	(197)	18 021
Actuarial gain \ (loss) due to actual inflation cost compared with that expected	23 972	(98)
Actuarial gain \ (loss) due to changes in economic assumptions	17 666	18 815
Total actuarial gain \ (loss) arising	41 441	36 738

Actuarial assumptions

The real discount rate has increased from 4,01% p.a. to 4,39% p.a. in respect of salary inflation and from 2,58% p.a. to 2,96% p.a. in respect of health care inflation. The combined impact of the change in actuarial assumptions resulted in an actuarial gain of R 17 666 000.

Health care inflation

The average increase in the medical scheme contributions was 7,9%, lower than the expected health care inflation of 9,11%. In addition, the fixed rand subsidies as well as the maximum rand subsidy were not increased to 2024. Therefore, the actual salary inflation was significantly lower than the expected salary inflation of 7,61%. As a result, the actual average inflation of the subsidised contributions was lower than expected for the in-service members and in particular the continuation members. This resulted in an actuarial gain of R 23 972 000.

Experience adjustments

The number of members eligible for post-employment subsidisation has had a net decrease of 44 in-service members and increase of 8 continuation members. The overall impact of the above, including the impact of the survival strain, resulted in a small actuarial loss of R 197 000.

Risk exposures

Through its defined benefit pension plans and post-employment medical plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields:

A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation risks:

Some of the group's pension obligations are linked to salary inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plan's assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy:

The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant in the plan, where inflationary increases result in higher sensitivity to changes in life expectancy.

18.6.4 Post-employment Group life insurance benefits

(also refer to note 21.2)

The University of the Free State operates a post employment group life insurance scheme. The method of accounting and the frequency of valuations are similar to those used for defined benefit pension schemes. The latest actuarial valuation was carried out as at 31 December 2023.

The university's subsidy policy is as follows:

- The university subsidises 50% of the total premiums paid by retirees towards postemployment group life insurance.
- The PRGLI subsidy is in respect the premiums payable to an insurer for life cover equal to 1.6x the annual pensionable salary of employees on their date of retirement.
- Employees are entitled to the subsidy provided that they remain in the employment of the university until retirement.
- Retirees have the option of taking up the PRGLI on their date of retirement.

Key actuarial assumptions

The actuarial valuation method used is the Projected Unit Credit-method. The main actuarial assumptions are as follows:

	2023	2022
Discount rate	11,20%	11,20%
Long term price inflation	6,20%	6,30%
Salary inflation	7,20%	7,30%
Take up rate	70,00%	70,00%
Net discount rate pre-retirement	3,73%	3,63%
Mortality pre-expected retirement age with consideration of actuary table, ref SA1985 – 90 LIGHT		
Mortality post-expected retirement age, with consideration of actuary table, ref PA (90) – 2		

Discount rate

In the valuation of the liability as at 31 December 2022, the discount rate (11,2% per annum) was determined with reference to the duration of the fund's DB liability. The duration of the Fund's DB liability was in the order of eight years. We have determined that the duration of the fund's DB liability has stayed the same to the order of eight years as at 31 December 2023. As such, the discount rate was set by determining the level of the South African zero coupon bond yield curve as at 31 December 2023 at a term of eight years. The discount rate is 11,20% per annum at this term.

Long-term price inflation

We have assumed a long-term future inflation rate of 6,20% (2022:6,30%) per annum. In setting this rate, we have applied a similar methodology to that used at the previous valuation date, that is:

Expected inflation = nominal bond yield less inflation-linked bond yield less inflation risk premium. The applicable nominal bond yield has been determined in the same way as the nominal bond yield used in determining the discount rate, i.e. 11,20% (2022:11,20%) per annum.

The applicable nominal bond yield has been determined in the same way as the nominal bond yield used in determining the discount rate, i.e. 11,20% (2022:11,20%) per annum.

In order to determine the yield on inflation linked bonds (on the same basis as for nominal bonds) we have used the level of the South African zero coupon real yield bond curve as at 31 December 2023. The corresponding yield from this curve (at a term of eight years) is 4,50% (2022: 4,40%) per annum at the valuation date.

Excluding an allowance for an inflation risk premium, implies an expected future inflation rate of 6,70% (2022: 6,80%) per annum (11,20% less 4,50% per annum). Our view is that based on market conditions at the valuation date, an inflation risk premium between 0,50% and 1,25% per annum is appropriate when determining the extent of the risk premium holders of nominal bonds currently require to compensate them for the risk that the value in their bonds may decline if inflation is higher than expected.

We have assumed an inflation risk premium of 0.50% for the purposes of this valuation. Based on the above, an expected inflation rate of 6,20% per annum has been assumed as at 31 December 2023 (i.e. 11,20% less 4,50% less 0,50%).

At the previous valuation date an inflation rate of 6,30% was assumed using a similar methodology as described above.

Increases in subsidy

The subsidy is linked to the employee's salary at retirement and does not increase after retirement. The cost of the subsidy could increase or decrease in future, depending on the rate per R1 000 cover that can be secured from the insurer – we have assumed that this rate will remain constant over time and, therefore, that the cost of the subsidy remains constant after retirement.

Net discount rate

The net discount rate applied to in-service employees is 3,73% (3,63% in 2022) per annum. We highlight that the difference between the various financial assumptions are generally more important than the absolute assumptions. The net discount rate applied to in-service employees increased from 3,09% per annum to 3,63% per annum between 1 January 2023 and 31 December 2023.

Demographical assumptions

- Employees are assumed to retire at their normal retirement age, 65 at December 2023;
- On reaching normal retirement age 70% of members will take up PRGLI cover. This proportion was determined by investigating the typical take up rates over the inter-valuation period.
- Once an employee has elected to take up the cover at retirement, it has been assumed that this cover will be retained (and the subsidy will continue to apply) until death.

Disclosures as at 31 December 2023

Recognition of obligation

Actuarial gain/(loss)

Balance as at 31 Dec 2023

DB obligation	Cost / (credit) recognised in P&L	Gain / (loss) recognised in OCI
R' 000	R' 000	R' 000
(32 692)	-	-
(5 228)	-	(5 228)
(37 920)	-	(5 228)

Disclosures as at 31 December 2022

Recognition of obligation

Actuarial (gain)/loss

Balance as at 31 Dec 2022

DB obligation	Cost / (credit) recognised in P&L	(Gain) / loss recognised in OCI
R' 000	R' 000	R' 000
(24 552)	-	-
(8 140)	-	(8 140)
(32 692)	-	(8 140)

No long-term assets are set aside in respect of the UFS' post-employment group life insurance. Therefore, no assumption specifically relating to assets has been made.

Sensitivity analysis

The sensitivity analysis that illustrates how the results change under various alternative assumptions.

Impact of 1% change in the salary inflation rate

The following table sets out the impact of a 1% change in the long-term salary inflation rate when compared to the calculated base liability at 31 December 2023.

In-service employee liability

Retiree liability

Total defined benefit liability

% change in defined benefit liability

1% decrease 6,20% p.a.	Base liability 7,20% p.a.	1% increase 8,20% p.a.
R'	R'	R'
14 934 667	16 435 891	18 178 353
21 484 447	21 484 447	21 484 447
36 419 114	37 920 338	39 662 800
-4,0%	0%	4,6%

Impact of 1% change in the discount rate

The following table sets out the impact of a 1% change in the discount rate when compared to the calculated base liability at 31 December 2023.

In-service employee liability

Retiree liability

Total defined benefit liability

% change in defined benefit liability

1% decrease 10,20% p.a.	Base liability 11,20% p.a.	1% increase 12,20% p.a.
R'	R'	R'
19 158 748	16 435 891	14 232 663
22 524 479	21 484 447	20 542 258
41 683 227	37 920 338	34 774 921
9,9%	0%	-8,3%

Impact of a one year change in the age rating of the post retirement mortality assumption

The following table sets out the impact of a one year change in the age rating of the post retirement mortality assumption when compared to the calculated base liability at 31 December 2023.

	Lighter mortality PA(90) - 3	Base liability PA(90) - 2	Heavier mortality PA(90) - 1
	R'000	R'000	R'000
In-service employee liability	16 687 875	16 435 891	16 173 284
Retiree liability	21 946 755	21 484 447	21 011 513
Total defined benefit liability	38 634 630	37 920 338	37 184 797
% change in defined benefit liability	2%	0%	-2%

Impact of a changing the assumed take-up rate at retirement

The following table sets out the impact of changing the assumed take-up rate at retirement when compared to the calculated base liability at 31 December 2023.

	Higher take- up rate 90%	Base liability 70%	Lower take-up rate 50%
	R'000	R'000	R'000
In-service employee liability	21 131 860	16 435 891	11 739 922
Retiree liability	21 484 447	21 484 447	21 484 447
Total defined benefit liability	42 616 307	37 920 338	33 224 369
% change in defined benefit liability	12,4%	0%	-12,4%

No entity-specific risks relating to the post employment group life insurance liability were identified.

18.7 Deferred income

Accounting policy:

Refer to note 6 for disclosure of the accounting policy relating to grants for the group.

	Group		University	
	2023	2022	2023	2022
	R ' 000	R ' 000	R ' 000	R ' 000
Current Liability				
Opening net carrying amount	203 804	228 274	203 804	228 274
Grants received during the year	211 293	134 899	211 293	134 899
Grants accrued	-	24 910	-	24 910
Grants realised	(242 183)	(184 279)	(242 183)	(184 279)
Closing net carrying amount	172 914	203 804	172 914	203 804

Included in deferred income above are all earmarked grants received from DHET. This includes the infrastructure grant, clinical training grant, foundation grant and the university capacity development grant. The infrastructure grant is earmarked for the construction of assets. The value of these assets are deducted in arriving at the carrying value of any assets constructed from the grant.

19. Recognised fair value measurements

Accounting policy:

The group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities

Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- for other financial instruments – discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, a contingent consideration receivable and certain derivative contracts, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

19.1 Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial and non-financial assets and liabilities that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial and non-financial assets and liabilities into the three levels prescribed under the accounting standards and detail in the accounting policy note above.

The classification of financial assets and liabilities into levels for the University do not differ materially from that of the group.

There were no transfers between levels 1, 2 and 3.

The following table represents the groups assets and liabilities that are measured at fair value.

Recurring fair value measurements as at 31 December 2023	Notes	R'000 Level 1	R'000 Level 2	R'000 Level 3	R'000 Total
Financial and non-financial assets					
Financial assets at fair value through profit or loss (FVPL)	17.4	11 099 050	-	-	11 099 050
Biological assets	18.5	-	-	7 869	7 869
Total financial and non-financial assets		11 099 050	-	7 869	11 106 919
Financial and non-financial liabilities					
Interest bearing borrowings	17.6	-	-	-	-
Total financial and non-financial liabilities		-	-	-	-

Recurring fair value measurements as at 31 December 2022	Notes	R'000 Level 1	R'000 Level 2	R'000 Level 3	R'000 Total
Financial and non-financial assets					
Financial assets at fair value through profit or loss (FVPL)	17.4	9 718 094		-	9 718 094
Biological assets	18.5	-	-	2 957	2 957
Total financial and non-financial assets		9 718 094	-	2 957	9 721 051
Financial and non-financial liabilities					
Interest bearing borrowings	17.6	-	-	-	-
Total financial and non-financial liabilities		-	-	-	-

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant. The fair values of non-current borrowings are based on discounted cash flows using a rate based on the prime rate and are within level 2 of the fair value hierarchy.

The fair values of non-current interest-bearing borrowings are as follows:

	2023	2022
Total fair value of non-current interest-bearing borrowings:	183 496	186 527

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 December 2023 and 31 December 2022:

	Group		University	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Opening net carrying amount	2 957	5 122	735	3 018
Selling	(1 140)	(1 414)	-	(370)
Additions	875	132	-	-
Revaluation	5 178	(882)	4 431	(1 914)
Closing net carrying amount	7 869	2 957	5 166	735

20. Cash flow information

20.1 Cash generated from operations

		Group		University	
	Notes	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Reconciliation of net surplus to cash generated from operations:					
Surplus for the year before market value adjustments on investments		882 672	1 376 256	882 921	1 263 720
(Income)/loss from associate		(586)	(2)	(586)	116 705
Surplus for the year without associate		882 085	1 376 254	882 334	1 380 425
Adjustments for:					
Depreciation	18.1	135 873	107 771	135 739	105 017
Interest received (CASH PORTION)		(315 472)	(186 461)	(315 343)	(186 378)
Interest on loan to associate		(2 487)	-	(2 487)	-
Administration cost financial assets	15	29 561	23 324	29 512	23 292
Interest expense		20 016	21 228	20 016	20 229
(Profit)/loss on sale of assets	11	3 307	67 823	3 307	8 114
Deferred income accrued		-	24 910	-	24 910
Purchase of property, plant and equipment and cost of patents relating to grants	18.7	48 551	17 935	48 551	17 935
	-				
Changes in working capital (excluding the effects of acquisitions and disposals):					
- Inventories		(1 113)	(1 835)	(1 113)	(1 835)
- Financial assets		(494 609)	(1 085 394)	(493 640)	(1 083 735)
- Deferred tax		-	37 812	-	-
- Biological assets		(4 913)	2 165	(4 431)	2 283
- Trade and other receivables		75 904	(11 153)	75 636	(18 197)
- Student loans		10	22	10	22
- Trade and other payables		(194 833)	61 073	(198 299)	96 083
- Deferred income		(79 440)	(67 315)	(79 440)	(67 315)
- Retirement benefit surplus		(26 430)	(16 235)	(26 430)	(16 235)
- Post-employment medical obligation		32 989	38 802	32 989	38 802
- Accrued leave obligation		38 825	29 983	38 825	29 983
- Post-employment group life obligation					
Cash generated from operations		147 823	440 709	145 735	373 400

20.2. Net liabilities from financing activities reconciliation

This note sets out an analysis of net liabilities from financing activities and the movements therein for the periods presented.

Net liabilities as at 1 January		186 527	187 736	186 527	187 736
New loans		-	4 221	-	-
Interest accrued		20 016	21 228	20 016	20 229
Cash flow payments		(23 046)	(26 658)	(23 046)	(21 438)
Net liabilities as at 31 December	17.6	183 497	186 527	183 496	186 527

Further detail regarding borrowings is disclosed under note 17.6.

Risks

This section of the notes discusses the group's exposure to various risks and shows how these could affect the group's financial position and performance.

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21 Critical estimates, judgements and errors	151
22 Financial risk management	151 - 159
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21. Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

21.1 Significant estimates and judgements

The areas involving significant estimates or judgements are:

- Estimation of work in progress and performance obligations relating to recognition of contract revenue – Note 7 and 8.
- Estimated fair value of certain financial assets – notes 19.
- Estimation of fair values investment property – notes 18.2.
- Estimation of employee benefit obligation and assets – note 18.6.
- Recognition of deferred tax asset for carried forward tax losses – note 18.8.
- Estimation of useful lives of assets – note 18.1

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

22. Financial risk management

This note explains the group's exposure to financial risks and how these risks could affect the group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

Risk	Note	Exposure arising from	Measurement	Management
Market risks:				
- Foreign exchange	22.1.1	Future commercial transactions	Cash flow forecasting and sensitivity analysis	Portfolio diversion and foreign investments to off-set exposure.
- Interest rate risk	22.1.2	Long-term borrowings at variable rates	Sensitivity analysis	Business models to fund ventures from external borrowings carefully considered and variable versus fixed rates considered.
- Security prices	22.1.3	Investments in equity securities	Sensitivity analysis	Portfolio diversion
Credit risk	22.2	Cash and cash equivalents, trade receivables	Aging analysis and credit rating	Diversification of bank deposits, credit limits. Investment guidelines for debt investments
Liquidity risk	22.3	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

Risk management is performed by the relevant decision-making structures in the group in accordance with the policies approved by the Council or board of directors as applicable. Senior management identify, evaluate and coordinate the management of strategic risks faced by the group. Risk management processes are reviewed regularly for continuing relevance and effectiveness. A report on the risk management process that is being followed, as well as a summary of the risk register, was presented to the Audit and Risk Management Committee and to the Council of the university during the year under review.

The group's investment channels have strong investment characteristics and no portfolios that have speculative characteristics, are being utilised.

22.1 Market risk

22.1.1 Foreign currency risk

Exposure

The group's exposure to foreign currency risk is mainly in the event of foreign sales transactions, settled on normal trade terms. This exposure is not significant and therefore no formal policy is in place to manage this risk.

The group is further exposed to foreign currency risk in regards to foreign investments held, mainly denominated in US dollar. Foreign currency risk exposure relating to foreign investments are managed by independent fund managers in terms of formal mandates. A multi-manager approach is followed in appointing investment managers to limit investment risk exposures. These fund managers are overseen by and report to the Investment Committee of the university.

Foreign investment exposure to foreign currencies (Also refer to 17.4)

Rand

US Dollar

Group		University	
2023 %	2022 %	2023 %	2022 %
64%	67%	64%	67%
36%	33%	36%	33%
R '000	R '000	R '000	R '000
12 729	11 092	12 729	11 092
2 752	3 070	2 752	3 070

Sales revenue for the year dominated in foreign currency (ZAR amount).

Trade receivables dominated in foreign currency as at 31 December (ZAR amount)

Sensitivity

As shown in the table above, the group is primarily exposed to changes in US/ZAR exchange rates.

The table below shows the foreign currency risk exposure on foreign currency investments, taking into account a possible 10% variance in foreign currency rates.

Possible variances in foreign currency rates:

Foreign Investments

Group	University
R '000	R '000
±10%	±10%
404 737	319 962

22.1.2 Cash flow and fair-value interest rate risk

Exposure

Interest rate risk is the possibility that the group may suffer financial loss if either a fluctuating interest rate or fixed interest rate position is entered into and the interest rates move adversely. The group's income and operating cash flows are substantially independent of changes in market interest rates.

The university has interest rate exposure on interest-bearing liabilities. Interest rate attributes of new loans are reviewed and approved in accordance with policies approved by Council to ensure interest rate exposure will not exceed acceptable levels. Interest rates of all current loan agreements are fixed for their full term, except for the ABSA overdraft facility and therefore operating cash flows are substantially independent of changes in market interest rates. Refer to note 17.6 for further disclosures regarding interest-bearing borrowings and related interest rates. The university also pays creditors within agreed settlement periods to avoid interest exposures. The university has interest-bearing assets. The income and operating cash flows are substantially independent of changes in market interest rates and therefore the university did not enter into any agreements regarding interest rate derivatives for the 2023 and 2022 financial years.

The table below shows the interest rate risk exposure on the university's surplus taking into account a possible variance of 50 basis points. Only exposure due to interest earned on interest bearing assets were considered, as interest earned on trade receivables are not significant.

The interest rate exposure on total borrowings of the group are at fixed rates.

	Note	Rate	2023		2022	
			R'000	% of borrowings	R'000	% of borrowings
Fixed rate borrowings	17.6		(183 496)	100%	(186 527)	100%
FirstRand Bank		10,13%				
Development Bank of South Africa		12,04%				
Variable rate borrowings*	17.3	Prime	-	0%	-	0%

* Interest is levied on the utilised overdraft balance only if the balance exceed the positive account balance of the current account at ABSA. This did not occur during 2022 or 2023, therefore no interest was levied.

No sensitivity analysis was performed as the likelihood that the group would be exposed to interest rate risk is highly unlikely.

22.1.3 Price risk

Exposure

The group is exposed to equity securities price risk because of investments held by the group classified on the statement of financial position as financial assets through profit and loss. The group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the group diversified its investment portfolio. The diversification is done by independent fund managers and the limits of diversification are overseen by the Investment Committee. A multi-manager approach is followed in appointing investment managers to limit further price risk. Also refer to note 17.4 for further information regarding investments.

	Note	Group			
		2023		2022	
		R'000	% of investment portfolio	R'000	% of investment portfolio
Listed national shares	17.4	1 909 061	17%	1 765 339	18%
Foreign shares	17.4	4 047 371	36%	3 199 617	33%

Sensitivity

The table below shows the price risk exposure of the group taking into account a possible variance of 10% in the FTSE / JSE CAPI index, with all other variables held constant.

The exposure of the university is not significantly different from that of the group, therefore no separate disclosure of the sensitivity.

	2023 R '000 ±10%
Possible variance in price risk:	
Shares (listed)	190 906
Foreign shares	404 737

22.2 Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through profit or loss (FVPL), deposits with banks and financial institutions, as well as credit exposures to students and customers, including outstanding receivables.

22.2.1 Risk management

The group is exposed to credit risk for the following classes of transactions and balances:

	Related notes
22.2.2.1 Student fees and trade receivables	17.1
22.2.2.2 Student loans and other loans	17.2
Cash and cash equivalents	17.3
22.2.2.3 Financial instruments at FV through profit and loss.	17.4

The group has no significant concentration of credit risk.

For banks and financial institutions, only independently highly rated parties are accepted and the University has policies in place to ensure that credit exposure to any one institution is limited.

It also has policies in place to ensure that rendering of education service are made to either students with an appropriate credit history or that these students have bursaries in place from organisations with an appropriate credit history.

Commercial customers are rated with consideration of the customers financial position, past experience and other factors. There is no significant concentrations of credit risk, whether through concentrations of individual customers or industry sectors.

The group is of the opinion that as at 31 December 2023, there existed no material credit risks that were not provided for.

22.2.2 Impairment of financial assets

The group has the following types of financial assets that are subject to the expected credit loss model:

- Student and trade receivables (note 22.2.2.1)
- Debt investments carried at amortised cost (Student loans and other loans) (note 22.2.2.2)

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

22.2.2.1 Student and trade receivables

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all student, trade receivables and contract assets. To measure the expected credit losses, student and trade receivables have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales / services rendered over a period of 36 month before 31 December 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information affecting the ability of the customers to settle the receivables. Historical loss rates are then accordingly adjusted. Also refer to the separate heading below for more factors considered in adjusted the provision for student receivables.

On that basis, the loss allowance as at 31 December 2023 and 31 December 2022 was determined as follows for both student and trade receivables.

Student receivables

The university is exposed to credit risk regarding student receivables. The university requires students to pay a minimum deposit on registration in respect of fees in order to mitigate the risk. Outstanding fees are monitored on a regular basis and action is taken in respect of long outstanding amounts.

Student receivables are deemed impaired and credit losses are provided for if the students do not register for the next academic year and did not obtain a qualification.

The UFS require that all student debt has to be settled as follows within the year in which it is incurred:

- 31 March: All first-semester fees and 50% of year programs fees need to be settled.
- 30 June: All year program fees for international students need to be settled in full.
- 31 August: All second-semester fees and year program fees need to be settled in full.

A student not complying with the settlement terms above is considered to be a defaulting student.

All receivables deemed impaired, are written off and handed over to third-party collectors.

Any student whose account has been written off as bad debt will only be readmitted to the UFS once the total amount that was written off has been settled in full.

The expected loss rate for these students are adjusted, based on past trends that take into consideration the ability of external debt recovery agents to recover money on behalf of the UFS. Students are not allowed to register for the next academic year if they still have outstanding debt or not being able to secure their registration during the provisional registration process.

Students with outstanding debt who obtained a qualification are not considered to be impaired to the same extent as the above students. This is based on historical evidence that these students do settle their debt in order to collect their qualifications. The provision for these students do however take into account the ability of external debt recovery agents, as well as the students ability in the current economic environment to settle the outstanding amounts.

The listing of students who did not register again and who did not complete their degrees, relate to the academic year being the year reported on. None relate to prior academic years.

In all the above categories, NSFAS qualifying students were separately considered for the credit loss provision as the qualifying criteria for NSFAS take into consideration the student's household income and ability to settle outstanding fees not covered by NSFAS.

The credit quality of student receivables are managed by the University with reference to the following categories, were determined on a basis of historical student default rates and the effectiveness of external debt recovery agents who recover money on behalf of the UFS:

Gross student receivables

Student not classified as high risk

Students not registered, who did not obtain a qualification and received NSFAS.

Students not registered, who did not obtain a qualification and did not receive NSFAS.

NSFAS historic debt and close-out amounts classified as high risk

2023	% deemed irrecoverable	R '000 deemed irrecoverable
R '000		
62 096	0%	-
14 039	33%	4 586
134 821	57%	77 443
86 523	100%	86 523
297 479		168 552

Gross student receivables

Student not classified as high risk

Students not registered, who did not obtain a qualification and received NSFAS.

Students not registered, who did not obtain a qualification and did not receive NSFAS.

2022	% deemed irrecoverable	% deemed irrecoverable
R '000		
163 901	0%	
17 347	43%	7 421
69 639	68%	47 097
250 888		54 518

The closing loss allowances for student and other receivables as at 31 December 2023 reconcile to the opening loss allowances as follows:

Student receivables loss allowance

Opening loss allowance

New allowance / (Allowance reversal) for credit losses

(Receivables written off) / recovered during the year.

Closing net carrying amount

Group	University
2023	2022
R ' 000	R ' 000
54 518	42 760
288 491	75 828
(174 457)	(64 070)
168 552	54 518

Other receivables (excluding tax receivable) – 2023

When commercial customers fail to meet contractual obligations, they are considered to be a defaulting customer.

The university mitigate credit risk relating to commercial customers by ensuring that legal agreements are in place for all projects and grants. Outstanding fees are monitored on a regular basis and action is taken in respect of long outstanding amounts. When a third party defaulted, the account is handed over to third-party debt collectors.

Writing of irrecoverable debt, will only be considered where the collecting agent/attorney had declared and provided proof that the account is irrecoverable or the account has prescribed to government debt prescription guidelines.

	Group					
	R '000	R '000	R '000	R '000	R '000	R '000
	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
31 December 2023						
Expected loss rate – University	0%	0%	1%	0%	73%	
Gross carrying amount	106 353	4 531	3 471	1 651	30 432	146 438
Loss Allowance	-	-	35	-	22 338	22 373

*Included in the loss allowance are specific debtors provided for at 100%, as well as Farmovs provided for at 50% of the gross amount receivable.

Other receivables (excluding tax receivable) – 2022

	Group					
	R '000	R '000	R '000	R '000	R '000	R '000
	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
31 December 2022						
Expected loss rate – University	0%	0%	1%	0%	23%	
Gross carrying amount	125 832	5 200	5 849	1 428	16 592	154 900
Loss Allowance	1 028	-	58	-	3 816	4 903

Trade Receivables loss allowances	Group		University	
	2023	2022	2023	2022
	R ' 000	R ' 000	R ' 000	R ' 000
Opening loss allowance	4 903	2 672	4 903	2 672
(Reversal) / New allowance for credit losses	17 628	2 578	17 628	2 578
Receivables written off during the year	(158)	(347)	(158)	(347)
Closing net carrying amount	22 373	4 903	22 373	4 903

Student and trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on student and trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Previous accounting policy for impairment of trade receivables

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment. The group considered that there was evidence of impairment if any of the following indicators were present:

- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or late payments (more than 30 days overdue).

Receivables for which an impairment provision was recognised were written off against the provision when there was no expectation of recovering additional cash.

22.2.2.2 Student loans and other loans

Credit quality of student loans

All of the entity's debt investments at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management consider 'low credit risk' when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

The credit quality of student loans are managed by the University with reference to the following categories:

- Student loans for students still studying, to the value of R0m (2022 - R0,013mm) are neither past due nor impaired, as the loans are not yet repayable. Students that are still studying are deemed as recoverable..
- Student loans for students who completed their studies to the value of R0m (2022 - R26,511m) are past due. The 2022 balance were fully written off during 2023.

The age analysis of these loans are as follows:

	Group		University	
	2023	2022	2023	2022
	R ' 000	R ' 000	R ' 000	R ' 000
Current	-	-	-	-
30 Days	-	-	-	-
60 Days	-	-	-	-
90 Days	-	-	-	-
120 Days and longer	-	26 501	-	26 501
	-	26 501	-	26 501

As at 31 December 2023, student loans of R0m (2022: R26,492m) were impaired and provided for. These individually impaired student loans mainly related to students who experienced difficulty repaying the loans. These loan balances were fully written off during 2023.

Movement on the allowance for credit losses for students who completed their studies, which are past due are as follows:

	Group		University	
	2023	2022	2023	2022
	R ' 000	R ' 000	R ' 000	R ' 000
Opening net carrying amount	26 492	26 492	26 492	26 492
(Reversal) / Allowance for new credit losses	9	-	9	-
Loans written off during the year	(26 501)	-	(26 501)	-
Closing net carrying amount	-	26 492	-	26 492

The creation and release of allowances for credit losses have been included in 'Other operating expenses' in the consolidated and stand alone statement of comprehensive income. Amounts charged to the statement of comprehensive income are generally written off when there is no reasonable expectation of recovery.

Credit quality of intercompany loan

The university entered into a loan agreement with FARMOVS (Pty) Ltd on 1 October 2018. FARMOVS (Pty) Ltd was a fully owned subsidiary up to 1 March 2022. The loan is subordinated for a period of 24 month subsequent to 6 July 2021 to the benefit of other creditors of the company. Refer to note 24.4 for disclosures relating to the amount of the loan. Management projections indicate that the company will only be in a position to commence servicing the loan within the next 24 months. Impairment of the loan was considered, but deemed unnecessary due to the subordination of the loan.

22.2.2.3 Credit quality of financial instruments at FV through profit and loss

The credit quality of investments are managed by the university with reference to the following categories. External credit ratings were included where available.

	Group		University	
	2023 R ' 000	2022 R ' 000	2023 R ' 000	2022 R ' 000
National bonds and unlisted debt	1 825 955	1 518 618	1 825 955	1 518 618
Listed national shares	1 909 061	1 765 339	1 895 305	1 753 643
Foreign shares and bonds	4 047 371	3 199 617	4 034 070	3 188 338
Futures	725	920	725	920
Current investments **	3 315 938	3 233 599	3 312 284	3 230 235
	11 099 050	9 718 094	11 068 339	9 691 754

** Current investments consist of cash in both the long and medium term portfolio's retained for investment trading purposes and short-term interest bearing securities. These investments are managed by reputable investments managers. The Short-term portfolio aims to deliver a return that is 1,0% p.a. in excess of inflation net of all charges over any 12 month period with a standard deviation of 2,0% p.a. as per the UFS's investment principals. Furthermore the portfolio aims to provide a high degree of certainty about the return over the next 12 months and has a low risk of a nominal capital loss over any 12 month period.

% Exposure of investments per category

	Group		University	
	2023 %	2022 %	2023 %	2022 %
National bonds and unlisted debt	16%	16%	16%	16%
Listed national shares	17%	18%	17%	18%
Foreign shares and bonds	36%	33%	36%	33%
Futures	0%	0%	0%	0%
Current investments	30%	33%	30%	33%
	100%	100%	100%	100%

Listed National bonds and unlisted debt maturity

0 - 1 year	19,96%	21,06%	19,96%	21,06%
1 - 3 years	12,59%	4,07%	12,59%	4,07%
3 - 7 years	28,81%	26,59%	28,81%	26,59%
7 - 12 years	20,13%	27,89%	20,13%	27,89%
12+ years	18,51%	20,39%	18,51%	20,39%
	100,00%	100,00%	100,00%	100,00%

22.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the group aims to maintain flexibility in funding by keeping committed credit lines available.

The group has minimised risk of liquidity as shown by its sufficient cash, cash equivalents and investment portfolio. Management monitors rolling forecasts of the group's liquidity reserve (comprising the undrawn borrowing facilities below) and cash and cash equivalents (note 17.3) on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the group in accordance with practice and limits set by the group. These limits vary by location to take into account the liquidity of the market in which the entity operates.

The cash budget is continuously updated and reported to Executive Management. An Investment Committee also oversees the investment portfolio managed by independent fund managers. A multi-manager approach is also followed in appointing investment managers to limit further liquidity risk.

Maturity of financial liabilities

The table below analyses the group's and the university's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Group				
	R'000 Less than 1 year	R'000 Between 2 and 3 years	R'000 Between 4 and 5 years	R'000 Over 5 years	R'000 Carrying amount liabilities
At 31 December 2023					
Borrowings	24 774	55 263	63 863	159 583	183 497
Trade and other payables	809 032	-	-	-	809 032
	833 806	55 263	63 863	159 583	992 529

	Group				
	Less than 1 year	Between 2 and 3 years	Between 4 and 5 years	Over 5 years	Carrying amount liabilities
At 31 December 2022					
Borrowings	21 438	47 820	55 263	223 445	186 527
Trade and other payables	1 003 866	-	-	-	1 003 866
	1 025 304	47 820	55 263	223 445	1 190 392

	University				
	R'000 Less than 1 year	R'000 Between 2 and 3 years	R'000 Between 4 and 5 years	R'000 Over 5 years	R'000 Carrying amount liabilities
At 31 December 2023					
Borrowings	24 774	55 263	63 863	159 583	183 496
Trade and other payables	792 783	-	-	-	792 783
	817 557	55 263	63 863	159 583	976 279

	University				
	Less than 1 year	Between 2 and 3 years	Between 4 and 5 years	Over 5 years	Carrying amount liabilities
At 31 December 2022					
Borrowings	21 438	47 820	55 263	223 445	186 527
Trade and other payables	991 082	-	-	-	991 082
	1 012 520	47 820	55 263	223 445	1 177 608

23. Capital risk management

The group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Due to the varying nature of the University and its main subsidiary, their capital management strategies are disclosed separately below.

University

Funds comprise restricted and unrestricted funds. Restricted funds comprise funds which are subject to specific conditions for application. Unrestricted funds are those funds that can be employed by Council at its discretion. Funds on the statement of changes in funds are structured to differentiate between restricted and unrestricted funds.

In order to maintain the capital structure, the University has ensured a sound financial position by limiting exposure to debt and sufficient investment and cash balances, which is evident from the table below. This objective is met by a well-planned budget process each year in which the critical strategic objectives of the university are addressed.

	Group		University	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Current portion of financial assets	3 316 663	3 234 520	3 313 009	3 231 155
Cash and cash equivalents	178 891	130 483	177 928	130 287
Total	3 495 555	3 365 002	3 490 937	3 361 442
Current liabilities	549 175	528 663	532 925	515 879
Total current liabilities	549 175	528 663	532 925	515 879
Net position	2 946 380	2 836 339	2 958 012	2 845 563

Farmovs

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholders returns.

Geopolitical risks

The Chartered Financial Analyst Institute has recently published a paper on this subject, noting the results are based on the USA S&P 500 historic returns. The headline results are shown in the table below:

	Large Cap Stocks	Small Cap Stocks	Long Term Bonds	Inflation
1926 - 2013 Market returns	10,0%	11,6%	5,6%	3,0%
Avg of all wars	11,4%	13,8%	2,2%	4,4%
World War II	16,9%	32,8%	3,2%	5,2%
Korean War	18,7%	15,4%	-1,1%	3,8%
Vietnam War	6,4%	7,3%	1,9%	4,1%
Gulf War	11,7%	-1,2%	12,5%	4,7%
	One Day Fall	Total Drawdown	Days to Bottom	Days to Recovery
All Geopolitical Events	-1,2%	-5,0%	22 Days	47 Days

Thus, the data for the USA shows that across all major wars since 1926, shares returned 11,4% for large cap stocks during wartime versus an average of 10% during the whole period and 13,8% for small cap stocks during wartime versus an average of 11,6% during the whole period for the overall market. It is interesting to also note that the periods during war had an average inflation of 4,4% versus the whole period average inflation of 3%. So, historically war is inflationary and also good for markets.

The USA won the wars it engaged in other than the Vietnam War where it withdrew. The broader country data (Dimson, Marsh and Staunton) shows that the stock markets of the winning countries are not adversely affected by war (if anything they do better), but for the losers markets are down. Most of the university's offshore assets are invested in developed markets whose stock market returns are unlikely to be much affected by regional wars over long measurement periods.

Our view is that it is impossible to forecast accurately what the effect of heightened geo-political risk may be, but to assume that asset prices will certainly be lower in the future is inconsistent with the historical data. Heightened geopolitical risk may increase market, but the market broadly properly prices geopolitical risk correctly and there is no good reason to adjust asset prices. Only if one took the view that the market is incapable of pricing geo-political risk fairly would one be justified in assigning a different and lower value to your assets.

Group structure

This section provides information which will help users understand how the group structure affects the financial position and performance of the group as a whole. In particular, there is information about:

- changes to the structure that occurred during the year as a result of business combinations
- transactions with non-controlling interests

A list of significant subsidiaries is provided in note 24. This note also discloses details about the group's equity accounted investments.

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24. Interest in other entities

Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

(ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognised at cost.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 19.

(iv) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

24.1 Group structure

The group's principal subsidiaries at 31 December 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business. South Africa is the principal place of business for all entities listed below.

Name of entity	Relationship to the University	Ownership and interest held by the University		Financial results	Principal activities
		2023	2022		
Kovsie Alumni Trust	The university is the sole beneficiary	100%	100%	Note 24.2.1	Marketing to alumni to facilitate bursaries to students
Lila Theron Trust	The university is the sole beneficiary	100%	100%	Note 24.2.1	Commercial farming
Shimla Stigting	The university is the sole beneficiary	100%	100%	Note 24.2.1	Promotion of Shimla Rugby
Kovsie Holdings (Pty) Ltd	Full subsidiary	100%	100%	Note 24.2.1	Dormant
Achilla Bioscience (Pty) Ltd	Full subsidiary	100%	100%	Note 24.2.1	Dormant
Farmovs (Pty) Ltd	Associate	49,50%	49,50%	Note 24.3.1	Clinical research company
Sun Media Bloemfontein (Pty) Ltd	Non-controlling interest	17,0%	17,0%	Note 24.3.1	Publishing company, In the process of being liquidated.
Verisol (Pty) Ltd	Non-controlling interest	10,0%	10,0%	Note 24.3.1	Holding of investment property rights
Moraband investments (Pty) Ltd	Non-controlling interest	40,0%	40,0%	Note 24.3.1	Commercialisation of research
Freefarm Innovations (Pty) Ltd	Controlling interest	50,0%	50,0%	Note 24.3.1	Agricultural research, dormant
Nova Logix (Pty) Ltd	Non-controlling interest	24,5%	24,5%	Note 24.3.1	Commercialisation of research, Dormant

All of the above entities are wholly owned, except for Farmovs (Pty) Ltd, SunMedia Bloemfontein (Pty) Ltd, Moraband Investments (Pty) Ltd and Verisol (Pty) Ltd, which is accounted for as investment in associate under note 24.3.1.

Refer to note 24.4 for details of related party transactions with the parties listed above.

24.2 Subsidiaries

Only the financial result of Farmovs (Pty) Ltd was material to the group. It was a wholly owned subsidiary up to 1 March 2022. The financial results of all other consolidated entities are not material, individually or combined. The combined financial results are disclosed in note 24.2.1 below.

24.2.1 Statement of financial position of all subsidiary undertakings.

	2023	2022
	R '000	R '000
Assets		
Property, plant and equipment	4 084	2 818
Biological Assets	2 704	2 222
Investments	30 711	26 340
Inventory	-	-
Receivables and prepayments	842	1 083
Bank and cash	964	190
Total assets	39 305	32 653
Funds and liabilities:		
Accumulated profit / funds available	23 055	19 888
Trade payable	16 249	12 765
Total funds and liabilities	39 305	32 653

24.3 Investment in associates and subsidiaries

24.3.1 Investment in associates

Unlisted

- Sun Media Bloemfontein (Pty) Ltd
- Verisol (Pty) Ltd
- Farmovs (Pty) Ltd
- Moraband Investments (Pty) Ltd

Total investment in associates

24.3.1.1
24.3.1.2
24.3.1.3
24.3.1.4

Group		University	
2023	2022	2023	2022
R '000	R '000	R '000	R '000
-	-	-	-
762	175	762	175
-	-	-	-
-	8	-	8
762	175	762	175

24.3.1.1 Sun Media Bloemfontein (Pty) Ltd

- Opening net carrying amount
- Profit/(loss) in associate
- Closing net carrying amount

Revenue of the associate

Assets and liabilities of the associate:

- Assets
- Liabilities
- Equity

Group		University	
2023	2022	2023	2022
R '000	R '000	R '000	R '000
-	-	-	-
-	-	-	-
-	-	-	-
-	361	-	361
-	162	-	162
-	197	-	197
-	(35)	-	(35)

The University holds a 17% share in Sun Media Bloemfontein (Pty) Ltd. The company is a publishing organisation which operates principally in South Africa. The shares (320 shares representing 33.3%) were acquired on 1 January 2009, of which The University sold 160 shares, representing 16% of it's share's in February 2020 to the Central University of Technology for R171 294. At 31 December 2023 the company was in the process of being liquidated.

The investment has been accounted for using the equity method.

24.3.1.2 Verisol (Pty) Ltd

- Opening net carrying amount
- Profit/(loss) in associate
- Closing net carrying amount

Revenue of the associate (2023: 10%)

Assets and liabilities of the associate: (2023: 10%)

- Assets
- Liabilities
- Equity

Group		University	
2023	2022	2023	2022
R '000	R '000	R '000	R '000
175	174	175	174
586	2	586	2
762	175	762	175
1 399	4	1 399	4
818	182	818	182
56	3	56	3
762	179	762	179

The University holds a 10% shares in Verisol (Pty) Ltd. The company is a mainly holding intellectual property rights. Verisol (Pty) Ltd holds 100% shares in Edutec (Pty) Ltd.

The investment has been accounted for using the equity method.

24.3.1.3 Farmovs (Pty) Ltd

Opening net carrying amount
Investment in associate
Impairment losses recognised
Closing net carrying amount

Revenue of the associate (2023: 49.5%)
Profit / (Loss) of the associate (2023: 49.5%)

Assets and liabilities of the associate: (2023: 49.5%)

Assets
Liabilities
Equity

Group		University	
2023	2022	2023	2022
R '000	R '000	R '000	R '000
-	-	-	-
-	56 504	-	56 504
-	(56 504)	-	(56 504)
-	-	-	-
49 798	112 659	49 798	112 659
(5 437)	(7 892)	(5 437)	(7 892)
52 368	85 116	52 368	85 116
75 123	64 707	75 123	64 707
(22 755)	20 408	(22 755)	20 408

Farmovs (Pty) Ltd is a clinical research organisation involved in pharmaceutical contract research and operates principally in South Africa. The university had a 30% share in Farmovs (Pty) Ltd during 2017. The shares (200 000 shares representing 20%) were acquired on 1 September 2000 and additional shares (100 000 shares representing 10%) were acquired on 1 September 2003. On 1 February 2018 the university obtained 100% of the shares of the company. The company issued additional shares (4000 subscription shares) to the university on 31 December 2021 for R20 m. After year-end, on 1 March 2022, the university sold 50,5% of it's shares to Avacare Shared Service CMA (Pty) Ltd.

24.3.1.4 Moraband Investments (Pty) Ltd

Opening net carrying amount
Profit/(loss) in associate
Closing net carrying amount

Revenue of the associate (2023: 40%)

Assets and liabilities of the associate: (2023: 40%)

Assets
Liabilities
Equity

Group		University	
2023	2022	2023	2022
R '000	R '000	R '000	R '000
8	-	8	-
(8)	8	(8)	8
-	8	-	8
75	-	75	-
24	24	24	24
55	20	55	20
(31)	4	(31)	4

The university holds a 40% shares in Moraband Investments (Pty) Ltd. Moraband Investments (Pty) Ltd holds 100% shares in Calipso Investments (Pty) Ltd, Almach Investments (Pty) Ltd, Cygnus Investments (Pty) Ltd.

The investment has been accounted for using the equity method.

24.3.2 Investment in subsidiary

Unlisted

- Farmovs (Pty) Ltd
Total investment in subsidiary

Group		University	
2023	2022	2023	2022
R '000	R '000	R '000	R '000
-	-	-	-
-	-	-	-

24.3.2.1 Farmovs (Pty) Ltd

Opening net carrying amount
Sale of subsidiary
Closing net carrying amount

Group		University	
2023	2022	2023	2022
R '000	R '000	R '000	R '000
-	-	-	116 707
-	-	-	(116 707)
-	-	-	-

Farmovs (Pty) Ltd is a clinical research organisation involved in pharmaceutical contract research and operates principally in South Africa. The university had a 30% share in Farmovs (Pty) Ltd during 2017. The shares (200 000 shares representing 20%) were acquired on 1 September 2000 and additional shares (100 000 shares representing 10%) were acquired on 1 September 2003. On 1 February 2018 the university obtained 100% of the shares of the company. The company issued additional shares (4 million subscription shares) to the university on 31 December 2021 for R20 m. On 1 March 2022, the university sold 50,5% of it's shares to Avacare Shared Service CMA (Pty) Ltd.

24.3.3 Loss of control over subsidiary during 2022

24.3.3.1 Background

Farmovs (Pty) Ltd is a clinical research organisation involved in pharmaceutical contract research and operates principally in South Africa. On 1 March 2022, the university sold 50,5% of its shares to Avacare Shared Service CMA (Pty) Ltd.

No other business interest in subsidiaries were disposed during 2022.

Details of the consideration and the net carrying amounts of the net assets at the date of disposal were as follow:

24.3.3.2 Consideration

	2022 R '000
Consideration received in cash	5 050 000
Consideration not yet received. (Included in Accounts Receivable)	5 050 000
Total purchase consideration	10 100 000

24.3.3.3 The carrying amount of the net assets and liabilities at the date of disposal were as follows:

Property, plant and equipment	36 968 523
Deferred tax	37 799 384
Total Non-current assets	74 767 908
Cash and cash equivalents	2 590 451
Inventory	2 410 203
Total Current assets	5 000 653
Finance leases	2 487 783
Trade and other payables	(36 816 798)
Current tax payables	(698 998)
Total Current liabilities	(35 028 013)
Intercompany loans	(22 174 667)
Total Non-current liabilities	(22 174 667)
Accumulated profit / (loss)	107 523 069
Total net assets	130 088 950
Sale of 50,5% net assets	65 694 920
Consideration received	10 100 000
Loss with sale of 50,5% interest in subsidiary.	55 594 920
24.3.3.3 Consideration - Cash inflow	
Inflow of cash due to sale of 50,5% of shares in subsidiary, net of cash acquired	
Cash consideration received	5 050 000
Less: Cash and cash equivalents disposed of	(2 590 451)
Net inflow of cash and cash equivalents	2 459 549

24.4 Related party transactions and balances

The following transactions were carried out by the university with related parties as disclosed under note 24.1.

	Farmovs (Pty) Ltd		Sun Media (Pty) Ltd	
	2023	2022	2023	2022
	R '000	R '000	R '000	R '000
Balances:				
Intercompany loans receivable	35 667	33 180	-	-
Trade receivables from entity	35 548	21 430	-	-
Trade payables to the entity	426	136	-	36
Transactions:				
Rent received	8 983	9 262	-	-
Purchases of goods and services	1 150	880	213	508
Interest received	2 487	1 951	-	-
Other income	3 396	3 519	-	-

	Lila Theron Farm		Kovsie Alumnie Trust	
	2023	2022	2023	2022
	R '000	R '000	R '000	R '000
Balances:				
Trade receivables from entity	14 244	12 521	-	-
Transactions:				
Distribution from entity to the UFS	-	78	1 283	1 304
Admin fees income	109	94	293	290

Services and rental income are based on normal commercial terms and conditions.

Payables to related parties arise mainly from purchase transactions. The payables bear no interest.

Executive management are also deemed related parties of the university. Refer to note 12.1 for a list of all executive members and their remuneration during the financial year.

Unrecognised items

This section of the notes provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

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25. Commitments

Capital commitments

Group	University	Group	University
2023	2023	2022	2022
R '000	R '000	R '000	R '000

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Property, plant and equipment

125 904	125 904	90 062	90 062
---------	---------	--------	--------

These expenditure will be funded from existing financial resources and a portion of these capital commitments will be funded from future government grants for infrastructure.

26. Events after reporting date

Management is not aware of any material event which occurred after the reporting date.

27. Contingent liabilities

At year-end possible contingent liabilities ranging between a total of R10 million and R12 million exist. The university's management consider the likelihood of the actions against the University being successful as unlikely.

28. Comparative amounts

Comparative amounts were not restated as no material prior year errors have been identified.

29. Summary of significant accounting policies not disclosed in individual notes above

Comparative amounts were not restated as no material prior year errors have been identified.

29.1 Foreign currency translation

29.1.1 Functional and presentation currency

Items included in the financial statements of each of the university's entities are measured using the currency of the primary economic environment in which the university operates ('the functional currency'). The consolidated financial statements are presented in South African rand (R), which is the university's functional and presentation currency.

29.1.2 Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or cost'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other (losses) / gains – net'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit / loss, and other changes in the carrying amount are recognised in equity.

29.2 Principals of consolidation

29.2.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power

to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group (refer to note 24).

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

29.2.2 Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or cost'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other (losses) / gains – net'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit / loss, and other changes in the carrying amount are recognised in equity.

29.2.3 Joint arrangements

Under IFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The university does not have any joint operations and joint ventures.

29.2.4 Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 19.

29.3 Funds and reserves

29.3.1 Unrestricted funds

The unrestricted funds reflect the university's subsidised activities and also includes the tuition fees. Additions to these funds mainly comprise formula-subsidy, tuition fees and the sales and services of educational activities, as well as transfers from other funds to finance expenditure.

Expenditure mainly comprises direct expenses in academic departments for training, research and community service, as well as other support service expenses, such as academic administration, library facilities, bursaries and loans. Institutional expenses, such as expenses incurred for the executive, student services, information technology and operating costs regarding land and buildings, are also recorded here. The budget of the University, as approved by Council, finds expression in this fund.

29.3.2 Restricted funds

These funds may be used only for the purposes that have been specified in legally binding terms by the provider of such funds or by another legally empowered person. Council retains an oversight role with regard to ensuring that expenditure is in accordance with the mandate received from funders and university policies.

29.3.3 Council controlled funds

These funds fall under the absolute discretion and control of Council, but are designated for a specific purpose in order to support the achievement of strategic goals within the group.

29.3.4 Non-distributable funds

Non-distributable funds are further categorised into property, plant and equipment fund and fair value through profit and loss reserve.

UNIVERSITY OF THE FREE STATE
SUPPLEMENTARY FINANCIAL STATEMENT 1
NON-CURRENT AND CURRENT INVESTMENTS
as at 31 December 2023 (all amounts in R'000)

GROUP AND UNIVERSITY

TYPE OF INVESTMENT	Book value at beginning of the year	Market value at beginning of the year	Cost of additions during the year	Total withdrawals during the year	Surplus/ Deficit on disposal of investments	Increase/ Decrease on market value	Book value at Year-end	Market-/ Estimated realisable value	Total income received
Non-current investments									
Government stocks/ bonds	1 493 497	1 518 618	1 655 791	(1370 278)	(13 540)	21 824	1 779 010	1 825 955	-
Shares (listed)	1 649 852	1 765 339	810 630	(707 109)		40 201	1 753 374	1 909 061	381 623
Other	2 602 544	3 199 617	166 199	(100 528)	7 782	782 083	2 668 214	4 047 371	-
Current investments									
Futures	(19 777)	920	294 289	(274 067)	-	(20 418)	445	725	-
Other	3 249 446	3 233 599	3 746 790	(3 678 391)	-	13 940	3 317 845	3 315 938	185 745
TOTAL	8 975 562	9 718 094	6 673 700	(6 130 373)	(5 758)	837 629	9 518 889	11 099 050	567 367

This statement is unaudited and does not form part of the consolidated or stand alone financial statements

TYPE OF BORROWING	TOTAL R'000	AMOUNTS PAYABLE WITHIN ONE YEAR R'000
Banking institutions	(183 497)	-
TOTAL	(183 497)	-

This statement is unaudited and does not form part of the consolidated or stand alone financial statements

Appendix 2:

Code of conduct for the UFS Council and members of the Council

Policy Name/Title: Code of Conduct for the UFS Council and Members of the Council					
Policy Group(s): Delete categories that are not relevant.		Support Services: Governance			
Type: Tick document category		Policy		Guideline	
		Procedure		Regulation	✓
UFS Statute and/or regulation reference number and date:		UFS Statute, Government Gazette No 48187, 10 March 2023			
Relevant legislation and/or policy, codes of practice, professional authorities:		1. The Higher Education Act (Act 101 of 1997, as amended)			
Relevant institutional policies/manuals		1. UFS Council Conflict of Interest Policy 2. Disciplinary Procedure for Members of the UFS Council			
Consultation process To be verified and signed off before approval		1. Executive Committee of Council: 15 August 2023 2. Institutional Forum: 4 September 2023 3. Council: 29 September 2023			
Status		Approved as per minute number: 1.1			
Coordinating UMC owner		Registrar			
Contact person		Deputy Registrar: Governance and Policy			
Certification of due process: To be verified and signed once approved by the relevant authority		Prof FW Petersen		18 October 2023	
		Vice-Chancellor and Principal		Date	
Approval date	To be inserted	Commencement date	To be inserted	Review date	To be inserted
	29 Sept 2023		29 Sept 2023		29 Sept 2026

REVISION HISTORY: Only applicable to amended or reviewed policies. Record details of amendments/revision.					
Version number	Approved/ Rescinded	Date	Approving Authority	Resolution Number (minutes number)	Date for next review (start date for review process)
Version 1	Yes	19 June 2020	Council	9.1.1	
<i>For office use only</i>					
Policy Group (broad policy field)			Support Service: Governance		
Subject (policy subfield)			Code (Regulation)		
Reference Number			Gov107/C/1.0/23.1		
Version Number			V.2		
Keywords for Search Engine:			Code of Conduct, Gov107		

CODE OF CONDUCT: STATEMENT	
1. Preamble/ background	<p>1.1 The Council (as defined in paragraph 4 below) has, in terms of section 27(7E) (a) of the Higher Education Act (as defined in paragraph 4 below), as amended, after consultation with the Institutional Forum (as defined in paragraph 4 below), adopted the following Code of Conduct to which all members of the Council must subscribe annually.</p> <p>1.2 The Council is the highest governance authority of the UFS and must ensure effective institutional governance.</p> <p>1.3 The Council is constituted and mandated by the Statute (as defined in paragraph 4 below) and the Higher Education Act.</p> <p>1.4 In co-operation with the Senate of the UFS (as defined in paragraph 4 below), the Council is predominantly responsible for the strategic management of the UFS with regard to its focus areas, key success factors, faculties, academic support services and portfolios.</p> <p>1.5 The Council also determines the nature and scope of the UFS' social responsibilities, protects the institutional autonomy of the UFS, upholds the academic freedom of its members, and deliberates on the nature and role of the UFS.</p>
2. Purpose	<p>2.1 The intention with this Code of Conduct is to delineate a set of principles for what is regarded as appropriate and reasonable conduct in the performance of a member's functions and duties and to, inter alia, comply with the Higher Education Act.</p> <p>2.2 The Higher Education Act prescribes that a code of conduct for members of an institutional council must be introduced to ensure good governance of such a council and its members, with specific reference to the declaration of interests in order to ensure that the best interests of a public higher education institution prevail.</p> <p>2.3 This Code of Conduct must be read, interpreted, and implemented in conjunction with the Conflict of Interest Policy and Disciplinary Procedure document (as defined in paragraph 4 below).</p>
3. Scope	3.1 This Code of Conduct applies to all Council members of the UFS.
4. Definitions and abbreviations	<p>In order to facilitate ease of reference and reading of this Code of Conduct, unless the context otherwise requires, the following terms shall have the meanings assigned to them below and cognate expressions shall have corresponding meanings:</p> <p>'Annexure' means any annexure to this Code of Conduct, which shall be read in conjunction with the provisions of this Code of Conduct, the Conflict of Interest Policy, and the Disciplinary Procedure document;</p> <p>'Chairperson' means the chairperson of the Council at the time;</p> <p>'Code of Conduct' means this official code of conduct of the UFS and related regulations pertaining to the Council and members of the Council;</p>

	<p>‘Conflict of Interest Policy’ means the official Conflict of Interest Policy of the Council and related regulations pertaining to the Council and members of the Council, as detailed in the separate policy document ancillary to this disciplinary procedure document, which shall apply in the event of an actual or presumed conflict of interest;</p> <p>‘Council’ means the Council of the UFS, the function and composition of which is set out in the official UFS Statute;</p> <p>‘Council Committee(s)’ means the official committees of the UFS to which the Council has delegated powers and duties and which act in cooperation with the UFS and the Senate, as contemplated in paragraph 20 of the Statute;</p> <p>‘Disciplinary Procedure’ means the official disciplinary procedure as detailed in the separate disciplinary procedure document ancillary to this Code of Conduct, which shall apply in the event of a breach or contravention of the provisions of this Code of Conduct;</p> <p>‘Exco’ means the Executive Committee of the Council (one of the Council committees);</p> <p>‘Higher Education Act’ means the Higher Education Act 101 of 1997, as amended from time to time;</p> <p>‘Institutional Forum’ means the Institutional Forum contemplated in paragraph 30 of the Statute and section 31 of the Higher Education Act;</p> <p>‘Registrar’ means the officer contemplated in paragraph 11 of the Statute and section 26(4)(b) of the Higher Education Act;</p> <p>‘Secretariat’ means the official secretariat of the UFS that is responsible for meeting administration;</p> <p>‘Senate’ means the institutional body responsible for academic matters, as contemplated in paragraphs 22 to 26 of the Statute and section 28 of the Higher Education Act;</p> <p>‘Statute’ means the institutional statute and rules of the UFS as contemplated in section 32 of the Higher Education Act, as amended from time to time, and</p> <p>‘UFS’ means the University of the Free State.</p>
5. Guiding principles	<p>5.1 All Council members are to comply with the provisions of this Code of Conduct.</p>

6. Code	<p data-bbox="427 188 820 224">6.1 Statutory Obligations</p> <p data-bbox="392 255 999 291">All members of the Council shall be required to</p> <ul style="list-style-type: none"> <li data-bbox="427 322 1398 425">6.1.1 ensure that the statutory obligations of councils of public higher education institutions are adhered to, as set out in section 27 of the Higher Education Act; <li data-bbox="427 439 1430 510">6.1.2 ensure that the obligations and duties laid down in terms of the Statute for members of the Council are faithfully discharged at all times; <li data-bbox="427 524 1430 694">6.1.3 participate in the deliberations of the Council in order to ensure, promote, and advance the best interests of the UFS and higher education within the Republic of South Africa in general, and not to represent other stakeholders and/or groupings that elected them to the Council; <li data-bbox="427 707 1430 846">6.1.4 declare any business, commercial or financial activities undertaken for financial gain that may (whether directly or indirectly) raise a conflict or a potential conflict of interest with the UFS, and comply with the Conflict of Interest Policy; <li data-bbox="427 860 1430 963">6.1.5 not place themselves under any financial or other obligation to any individual or organisation that might seek to influence the performance of any function of the Council; <li data-bbox="427 976 1430 1146">6.1.6 not have a direct or indirect financial, personal or other interest in any matter to be discussed at a meeting of the Council, and which entails or may entail (whether directly or indirectly) a conflict or potential conflict of interest with the UFS, read with the provisions of the Conflict of Interest Policy; and <li data-bbox="427 1160 1391 1232">6.1.7 attend all such induction and training initiatives as may be required from time to time. <p data-bbox="427 1263 817 1299">6.2 Fiduciary obligations</p> <ul style="list-style-type: none"> <li data-bbox="427 1330 1430 1469">6.2.1 All members of the Council assume a fiduciary rule, which includes (without limitation) loyalty to the UFS and reasonable care of the UFS' assets. All fiduciary actions shall be performed by the members of the Council for the advantage of the UFS and the public that they serve. <li data-bbox="427 1482 1430 1585">6.2.2 All members of the Council shall act in the best interests of the UFS by exercising reasonable care and skill and by acting with honesty and within legal parameters at all times. <p data-bbox="427 1617 785 1653">6.3 Ethical Obligations</p> <p data-bbox="392 1684 999 1720">All members of the Council shall be required to</p> <ul style="list-style-type: none"> <li data-bbox="427 1751 1209 1787">6.3.1 respect the rights and dignity of all others at all times; <li data-bbox="427 1800 1430 1904">6.3.2 apply their minds to the matters that are placed before the Council for consideration in an open and independent manner, with integrity and without any undue influence, fear or favour; <li data-bbox="427 1917 1337 1989">6.3.3 conduct themselves at all times in accordance with the highest standards of ethics and personal integrity; <li data-bbox="427 2002 1161 2038">6.3.4 preserve the integrity and good name of the UFS;
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	<p>6.3.5 maintain the confidentiality of Council business and/or documentation where necessary;</p> <p>6.3.6 ensure that all disclosures and/or contributions to the Council debates are accurate;</p> <p>6.3.7 refrain from soliciting any gifts or benefits for themselves or accepting any gifts or benefits which might, in any way, compromise or unduly influence a member in the carrying out of her/his duties, or which might be considered as inducement of such a member;</p> <p>6.3.8 conduct themselves in a manner that does not bring the UFS into disrepute; and</p> <p>6.3.9 conduct themselves in a manner that does not have an impact, in any way whatsoever, on the reputation or good name of the UFS.</p> <p>6.4 Confidentiality obligations</p> <p>6.4.1 All Council members undertake to honour the trust and confidence bestowed upon them at all times and to refrain from disclosing (without the necessary authority) any deliberations, decisions or matters of the Council to third parties in any manner whatsoever.</p> <p>6.4.2 The communication of Council decisions and other Council matters to the broader UFS community shall take place in accordance with prescribed UFS processes, which the Chairperson shall communicate to the members of the Council from time to time. The members of the Council shall not be authorised to act outside of these prescribed processes (as communicated by the Chairperson) in any manner whatsoever, read with the Conflict of Interest Policy.</p> <p>6.4.3 Each member of the Council (and the Council as a whole) shall respect the privacy of its members, subject thereto that members of the Council shall, at all times, conduct themselves in a manner that protects and preserves the best interests of the UFS.</p> <p>6.5 General obligations</p> <p>All members of the Council shall be required to –</p> <p>6.5.1 attend all meetings unless they have a good and compelling reason not to do so, in which case the Secretariat must be informed by written apology or electronic correspondence;</p> <p>6.5.2 be fully prepared and fully apprised of the contents of documentation serving before the Council; and</p> <p>6.5.3 support policies once adopted by the Council irrespective of their own preferences or, where principled objection to such policies exists, to tender their resignation from the Council.</p> <p>6.6 A member of the Council –</p> <p>6.6.1 is a person who reflects specialised knowledge and experience relevant to the core business and/or the governance of the UFS;</p> <p>6.6.2 is nominated and appointed in accordance with paragraph 13 of the Statute;</p>
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	<p>6.6.3 aligns herself/himself with the mission, vision, values and strategic objectives of the UFS, as well as the relevant governance structures, charters, mandate of the Council and the Council committees (and delegation of authority if applicable);</p> <p>6.6.4 annually, or as the Council member becomes aware of the need to do so, declares in writing before she/he assumes any business, fiduciary roles (including, but not limited to, memberships, directorships of companies, trusteeships), commercial or financial activities undertaken for financial gain that may raise a conflict or a possible conflict of interest with the UFS, which annual disclosures must be submitted to the Registrar in the manner set out in the Conflict of Interest Policy;</p> <p>6.6.5 annually declares in writing any financial interest and fiduciary roles of her/his immediate family members, life partner or close friends, which annual disclosures must be submitted to the Registrar in the manner set out in the Conflict of Interest Policy;</p> <p>6.6.6 annually declares in writing any family relationship with a registered student at the UFS and/or permanent full-time or fixed-term contract employee, which annual disclosures must be submitted to the Registrar in the manner set out in the Conflict of Interest Policy;</p> <p>6.6.7 must inform the Chairperson of a meeting, before commencement of such meeting, of a conflict or possible conflict of interest of a member of the Council or Council committee, of which such person may be aware in accordance with the Conflict of Interest Policy;</p> <p>6.6.8 subject to the Conflict of Interest Policy, shall not place her-/himself under any financial or other obligation to any individual or organisation that might seek to influence the performance or any function of the Council, and –</p> <p>6.6.8.1 must not have a conflict of interest with the UFS, whether directly or indirectly;</p> <p>6.6.8.2 declares in writing any direct or indirect financial, personal or other interest in any matter reflected on the agenda of a particular meeting;</p> <p>6.6.8.3 is obliged to recuse her-/himself from the meeting during deliberation and decision-making related to the agenda item;</p> <p>6.6.9 participates in the deliberations of the Council in the best interest of the UFS, with due regard to the principles of public accountability;</p> <p>6.6.10 submits an apology to the Secretariat if she/he cannot attend a meeting, preferably at least 72 (seventy-two) hours before commencement of the meeting concerned (emergencies excluded);</p> <p>6.6.11 shall not use the position, privileges of the position or information acquired as a result of the position or privileges, for her/his own benefit or to improperly benefit another person(s);</p> <p>6.6.12 strives to live by the highest ethical values and be an exemplar of a corruption-free society at all times;</p> <p>6.6.13 shall refrain from making or supporting any statement that could falsely</p>
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	<p>represent the UFS, its policies, governance structures, staff, students or programmes;</p> <p>6.6.14 respects the distinction between the roles of the UFS management and that of the Council and will not interfere with the UFS' operational management and administration, subject to the provisions of the Higher Education Act;</p> <p>6.6.15 performs her/his duties and responsibilities in good faith, with due regard to at least the following –</p> <p>6.6.15.1 duty of care and skill;</p> <p>6.6.15.2 fiduciary duty;</p> <p>6.6.15.3 duty to act within powers of authority;</p> <p>6.6.15.4 acting in accordance with the UFS values when executing her/his functions as member of Council;</p> <p>6.6.16 informs the Chairperson, in accordance with paragraph 6.9 (<i>Compliance with the Code of Conduct</i>), if she/he has grounds to believe that another member did not comply with the provisions of this Code of Conduct; and</p> <p>6.6.17 shall be subject to the Disciplinary Procedure in the event that she/he contravenes or breaches any of the provisions of this Code of Conduct.</p> <p>6.7 Governance at meetings</p> <p>6.7.1 The Chairperson, in consultation with the Registrar, ensures that meetings of the Council and Council committees are constituted (with due regard to the quorum requirements) in accordance with the legal and governance framework, as well as the Statute concerned.</p> <p>6.7.2 The Chairperson, in consultation with the Registrar, ensures compliance with governance requirements and that the meeting is quorate (through physical presence or digital connectivity) for the full duration of the proceedings.</p> <p>6.7.3 A Council committee with delegated functions shall not take a decision on a matter considered by it if any member of this committee has declared a conflict of interest in the manner contemplated in this Code of Conduct read with the provisions of the Conflict of Interest Policy, unless that member is recused and the committee concerned remains quorate. If the committee is inquorate, the matter is referred to the next Exco meeting (or to the next Council meeting) for consideration.</p> <p>6.7.4 The Registrar includes the attendance report in the meeting minutes of each Council and Council committee meeting.</p> <p>6.8 Performance review, extension/termination of term of office</p> <p>6.8.1 The Chairperson is responsible for addressing poor performance of the Council as a collective, and of individual members of the Council when applicable.</p> <p>6.8.2 An annual performance review of the Council and each Council committee is conducted in accordance with applicable UFS</p>
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	<p>performance review systems for governance structures.</p> <p>6.8.3 The performance review results serve at the first meetings of each Council committee and the Council for deliberation and action when applicable.</p> <p>6.8.4 Extension and termination of membership is managed in accordance with the Statute.</p> <p>6.9 Compliance with the Code of Conduct</p> <p>In the event that any member of the Council fails to comply with the provisions of this Code of Conduct or the Conflict of Interest Policy and a complaint is lodged against such member in relation to such contravention and/or failure, the provisions of the Disciplinary Procedure document shall apply.</p> <p>6.10 Submission to the Code of Conduct</p> <p>Each member of the Council must annually accept in writing that she/he submits to the Code of Conduct.</p>
7. Responsibility	7.1 Registrar
8. Accountability and Authority:	
8.1 Implementation:	8.1.1 Registrar
8.2 Compliance:	8.2.1 Deputy Registrar: Governance and Policy
8.3 Monitoring and evaluation:	8.3.1 Registrar
8.4 Development/review:	8.4.1 Registrar
8.5 Approval authority:	8.5.1 Rectorate 8.5.2 Executive Committee of Council 8.5.3 Council
8.6 Interpretation and advice:	8.6.1 Registrar
9. Who should know of this document?	
All Council members should be familiar with this document.	
10. Policy/procedure implementation plan	State what will be required to implement the policy. An implementation plan should be developed and submitted with the final draft document. No policy shall be considered and approved without an implementation plan.
11. Resources required	Provide a list of resources required for the successful interpretation and implementation of this policy/procedure. Administrative procedures required to implement the policy should be clearly set out.
12. Answers to FAQs	
	List questions asked by participants in the development of the policy. Provide answers that will help to direct action within the relevant departments.
EFFECTIVENESS OF THE POLICY	
Performance Indicator(s):	To be completed on review by the person responsible for implementation, monitoring and evaluation.

Appendix 3:

Policy of the UFS on conflict of interest by the members
of the UFS Council

Policy Name/Title: UFS Council Conflicts of Interest Policy

Policy Group(s): Delete categories that are not relevant.	Support Services Policies: Governance				
Type: Tick document category	Policy	X	Guideline		
	Procedure		Regulation		
UFS Statute and/or regulation reference number and date:	UFS Statute, Government Gazette, No 48187, 10 March 2023				
Relevant legislation and/or policy, codes of practice, professional authorities:	1. Higher Education Act 101 of 1997 2. UFS Statute, as indicated above 3. King IV™				
Relevant institutional policies/manuals	1. UFS Council Code of Conduct 2. UFS Council Disciplinary Procedures				
Consultation process To be verified and signed off before approval	1. Task Team: Revision of Conflict of Interest Policy 2. Rectorate: 19 October 2022 3. Executive Committee of Council: 27 October 2022 4. University Management Committee: 30 January 2023 5. Institutional Forum: 3 March 2023 6. Council: 24 March 2023				
Status	Approved as per minute nr: 1.4				
Coordinating UMC owner	Registrar				
Contact person	Deputy Registrar: Governance and Policy				
Certification of due process: To be verified and signed once approved by the relevant authority	Prof FW Petersen		17 April 2023		
	Vice-Chancellor and Principal		Date		
Approval date	To be inserted	Commencement date	To be inserted	Review date	To be inserted
	24 March 2023		24 March 2023		24 March 2026

REVISION HISTORY: Only applicable to amended or reviewed policies. Record details of amendments/revision.					
Version number	Approved/Rescinded	Date	Approving Authority	Resolution Number (minutes number)	Date for next review (start date for review process)
V.1	Approved	19 June 2019	Council		19 June 2022
V.2	Approved	17 Sept 2021	Council	1.1	17 Sept 2024
For office use only					
Policy Group (broad policy field)			Support Services: Policies		
Subject (policy subfield)			Policy		
Reference Number			Gov107/P/1.0/23.1		
Version Number			V.3		
Keywords for Search Engine:			UFS Policy Conflicts of Interest Policy, Gov100		

POLICY STATEMENT	
1. Preamble/ background	<p>1.1 The UFS Council is the principal governing body of the university. UFS Council members are recruited from several commercial industries, academic disciplines, and government departments. These members are likely to have significant interaction with, and interests in, parties other than the UFS.</p> <p>1.2 As Council members acting on behalf of Council and the university, all decisions made must be in the best interest of the UFS. Conflicts of interest may impact those decisions.</p>
2. Purpose	2.1 This policy is presented as a mitigating instrument to identify, manage, and resolve Conflicts of Interest.
3. Scope	3.1 This policy is applicable to all Council members as defined below.
4. Definitions and abbreviations	<p>‘Conflict of Interest’ A Conflict of Interest occurs when there is a conflict, in fact or appearance, between the interests of a Council member and the UFS. Conflicts of Interest include:</p> <ul style="list-style-type: none"> a) Direct Conflicts of Interest b) Indirect Conflicts of Interest c) Possible Conflicts of Interest d) Perceived Conflicts of Interest e) Conflicts of Interest regarding matters arising <p>‘Direct Conflict of Interest’ means an interest in an organisation or project, or a member of the governing body of an organisation, that directly competes with the UFS as a higher education institution.</p> <p>‘Higher Education Institution’ means a Higher Education Institutions as defined in the Higher Education Institution Act 101 of 1997.</p> <p>‘Indirect Conflict of Interest’ means an interest by</p> <ul style="list-style-type: none"> a) a family member within the third degree of consanguinity; b) a person who could be considered like a family member (e.g. cohabitating partner); and c) a close or long-standing friend with an interest in an organisation or project that competes with the UFS. <p>‘Perceived Conflict of Interest’ means an interest – direct or indirect – that may be perceived by a third party as being a conflict of interest.</p> <p>‘Possible Conflicts of Interest’ means there is uncertainty regarding the existence of an actual Conflict of Interest. A perceived Conflict of Interest may influence</p>

	<p>the process whereby a possible Conflict of Interest becomes an actual Conflict of Interest.</p> <p>‘Conflicts of Interest regarding matters arising’ means a Conflict of Interest, not previously considered, that arises as a result of a matter under discussion by Council or a Council Committee.</p> <p>‘Interest’ means both financial and non-financial interests of Council members. The interpretation is purposely wide, and includes inter alia shareholding, ownership, fiduciary responsibilities as well as family and friendship relationships.</p> <p>‘UFS’ means the University of the Free State, including all its departments, faculties, subsidiaries, joint ventures, partnerships, and entities in which the UFS has an interest. Listed companies in which the UFS invests are excluded from this definition.</p> <p>‘Council Member’ means a member of the UFS Council and, in this Policy, includes members of UFS Council Committees as well as UFS staff members co-opted to Council and Council Committees.</p>
5. Guiding principles	Refer to paragraph 6 below.
6. Policy/procedure	<p>6.1 Direct Conflicts of Interest</p> <p>6.1.1. No Council Member may have a Direct Conflict of Interest with the UFS.</p> <p>6.1.2. No person may accept appointment as a Council Member if a Direct Conflict of Interest exists.</p> <p>6.1.3. Should a Direct Conflict of Interest occur after appointment as Council Member, the Council Member must advise the UFS Registrar of the Direct Conflict of Interest within one week of it becoming known to the Council Member. Records should be kept so that there is an audit trail of the Direct Conflict of Interest.</p> <p>6.1.4. No Council Member may place themselves under any financial or other obligation to any party that may seek to influence the performance of the Council.</p> <p>6.2 Indirect Conflicts of Interest</p> <p>6.2.1. No Council Member may have an Indirect Conflict of Interest with any matter discussed at a Council or Council Committee meeting.</p> <p>6.2.2. The Council Member must, before the meeting and in writing, inform the chairperson of that meeting of the Indirect Conflict of Interest.</p> <p>6.2.3. The Council Member shall be recused from the discussion and voting on the matter.</p>

6.3. Possible Conflicts of Interest

- 6.3.1. Should a possible Conflict of Interest with any matter discussed at a Council or Council Committee meeting exist, the Council Member must inform the chairperson of that meeting of the Possible Conflict of Interest.
- 6.3.2. To the extent possible, informing the chairperson should take place before the meeting.
- 6.3.3. The chairperson will inform the Council Member whether an actual Conflict of Interest exists or not.
- 6.3.4. Should the chairperson decide that an actual Conflict of Interest exists, the Council Member shall be recused from the discussion and voting on the matter.
- 6.3.5. Outside of meetings, any Council Member may request the Registrar's opinion regarding whether Potential Conflicts of Interest are actual Conflicts of Interest.

6.4. Conflicts of Interest regarding matters arising

- 6.4.1. Should any Conflict of Interest arise at any stage regarding matters discussed at Council or Council Committee meetings, the Council Member must inform the chairperson of that meeting of that Conflict of Interest.
- 6.4.2. To the extent possible, informing the chairperson should take place before the meeting.
- 6.4.3. The Council Member shall be recused from the discussion and voting on the matter.

6.5. Disclosure

- 6.5.1. Every Council Member shall, on an annual basis, declare
 - a. their financial interests and fiduciary roles; and
 - b. the financial interests and fiduciary roles of the members of their families within the third degree of consanguinity.
- 6.5.2. The annual disclosure shall be administered by the office of the Registrar, which shall include an annual report on Conflicts of Interest to Council.

An example of the annual disclosure is attached as Annexure A.

6.6 Penalties

- 6.6.1. Should any Council Member contravene any part of this policy document, that member may be
 - a. suspended from attending a meeting; or
 - b. disqualified as a Council Member.
- 6.6.2. The Disciplinary Procedures for Members of the UFS Council shall guide any process required.

7. Responsibility	7.1 Registrar
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8. Accountability and Authority:	
8.1 Implementation:	8.1.1 Registrar
8.2 Compliance:	8.2.1 Deputy Registrar: Governance and Policy
8.3 Monitoring and evaluation:	8.3.1 Registrar
8.4 Development/review:	8.4.1 Registrar
8.5 Approval authority:	8.5.1 Rectorate 8.5.2 Executive Committee of Council 8.5.2 Council
8.6 Interpretation and advice:	8.6.1 Registrar
9. Who should know this policy?	
All UFS staff members co-opted to Council and Council Committees, and Council members	

10. Policy/procedure implementation plan	
11. Resources required	

12. Answers to FAQs	

EFFECTIVENESS OF THE POLICY	
Performance Indicator(s):	

ANNUAL DECLARATION BY UFS COUNCIL MEMBERS AND COUNCIL COMMITTEE MEMBERS

Processing of Personal Information

By completing this Annual Declaration, you acknowledge that you give the UFS authorisation to process your personal information and to verify details with external databases and service providers, as detailed in your Letter of Appointment.

This Annual Declaration must be completed by every UFS Council member and UFS Council Committee member by 30 April.

Member of Council or Council Committee

Are you currently serving as a Member of Council, as a Member of a Council Committee or as an invited member of Council or Council Committee? If yes, please provide the name of the governance body(ies).

Employment and Fiduciary Roles

Are you currently employed by any organisation other than the UFS? If yes, please provide the name of the organisation(s) and the capacity.

Are you currently serving in a fiduciary capacity for any organisation other than the UFS? If yes, please provide the name of the organisation(s) and the capacity.

Relationship, Interest or Situation

Are you aware of any relationship or interest that would present a conflict of interest between yourself and the UFS? If yes, please provide details.

Are you aware of any relationship or interest that would appear to a third party as presenting a conflict of interest between yourself and the UFS? If yes, please provide details.

Are you aware of any contract, project, loan, or investment that does, or would appear to, present a conflict of interest between yourself and the UFS? If yes, please provide details.

Are you aware of any relationship or interest of a family member of yours that does, or would appear to, present a conflict of interest with the UFS? If yes, please provide details.

Are you aware of *any* conflict of interest you had regarding a matter arising during Council meetings or Council Committee meetings during the past 12 months? If yes, please provide details.

Affiliated Persons

Do you have any immediate family members who are employed by or are students of the UFS, or were so in the past year? (SRC appointed Council members are acknowledged as registered students). If yes, please provide details.

Are you currently employed by, or do you serve in a fiduciary capacity to, any organisation that conducts business with the UFS? If yes, please provide details.

Do you own, or are you the beneficial owner, donor, or trustee, whether directly or indirectly by a family member, of any interest in an organisation that does business with the UFS? If yes, please provide details.

Services to UFS and Related Party Transactions

Have you or an affiliated person provided goods or services to the UFS (other than as Council member, Council Committee member or volunteer) in the past year? If yes, please describe the nature of the transaction(s).

Have you or an affiliated person purchased goods or services from the UFS in the past year? If yes, please describe the nature of the transaction(s).

Were you or an affiliated person indebted to pay money to the UFS at any time in the past year? If yes, please describe the nature of the indebtedness.

Are you or an affiliated person a party to pending legal proceedings against the UFS? If yes, please provide details.

Are you aware of any other scenario that should be examined by the UFS Council or its Management Committee regarding a Conflict of Interest by Council Members or Council Committee Members? If yes, please provide detail.

Declarations

Do you confirm that an adverse finding has not ever been made against you in a report to the Minister of Higher Education?

Do you confirm that:

You are not an un-rehabilitated insolvent,

A court of law has not declared you mentally ill, and

You have not been convicted of an offence and sentenced.

Do you confirm that you are not a student that is registered with the UFS or its related educational bodies? (Not applicable to the registered ISRC students serving on Council.)

If you have related person(s) currently registered as student(s) with the UFS, please provide their names and their relationship to you.

Do you confirm that you have read, understood, subscribe to, accept, and comply with the UFS Council Code of Conduct?

Do you confirm that you have read, understood, and comply with the UFS Council Conflict of Interest Policy?

Will you promptly inform the Chairperson of Council of any material change that develops in the information contained in this disclosure submission?

Appendix 4:

Disciplinary Procedure for Members of the UFS Council

Appendix 4: Disciplinary Procedure for Members of the UFS Council

THE UNIVERSITY OF THE FREE STATE ('UFS') DISCIPLINARY PROCEDURE FOR MEMBERS OF THE UFS COUNCIL

PREAMBLE

- 1.1. The Council is the highest governance authority of the UFS and must ensure effective institutional governance.
- 1.2. In order to ensure the transparency and accountability of the Council, all members of the Council must be held accountable for their actions in so far as such actions constitute a contravention or breach of the provisions of this Disciplinary Procedure document, the Code of Conduct (as defined in paragraph 2 below), or the Conflict of Interest Policy (as defined in paragraph 2 below).
- 1.3. This document accordingly sets out the guiding principles pertaining to the disciplinary procedure and/or penalties which shall apply in the event that a member of the Council contravenes and/or breaches any provision of the Code of Conduct and/or the Conflict of Interest Policy.
- 1.4. This Disciplinary Procedure document shall be read in conjunction with the UFS Statute as well as other official policies, procedures, guidelines, and regulations of the UFS in so far as it relates to disciplinary practices and procedures.
- 1.5. This Disciplinary Procedure document shall not in any manner whatsoever be construed as to limit the UFS' or the Council's powers in the event that a member of the Council commits any form of misconduct.

2. DEFINITIONS

In order to facilitate ease of reference, unless the context otherwise requires, the following capitalised terms shall have the meanings assigned to them below and cognate expressions shall have corresponding meanings:

'Committee Chairperson' has the meaning ascribed thereto in paragraph 3.2.1 (*The Disciplinary Committee*) below;

'Code of Conduct' means the official code of conduct of the UFS and related regulations pertaining to the Council and members of the Council, as detailed in the separate Code of Conduct document ancillary to this disciplinary procedure document;

'Conflict of Interest Policy' means the official Conflict of Interest Policy of the Council and related regulations pertaining to the Council and members of the

Council, as detailed in the separate policy document ancillary to this disciplinary procedure document, which shall apply in the event of an actual or presumed conflict of interest;

‘Council’ means the Council of the UFS, the function and composition of which is set out in the official Statute of the UFS;

‘Disciplinary Committee’ has the meaning ascribed thereto in paragraph 3.1 (*The Disciplinary Committee*) below;

‘Disciplinary Procedure’ means the official disciplinary procedure as detailed in this document, which sets out, without limitation, the disciplinary procedures which shall apply in the event of a breach or contravention of the provisions of the Code of Conduct;

‘External Chairperson’ has the meaning ascribed thereto in paragraph 5.3.1.1 (*Disciplinary Procedure*) below;

‘Higher Education Act’ means the Higher Education Act 101 of 1997, as amended from time to time;

‘Initiator’ has the meaning ascribed thereto in paragraph 5.3.1.2 (*Disciplinary Procedure*) below;

‘Investigator’ has the meaning ascribed thereto in paragraph 5.1.4 (*Disciplinary Procedure*);

‘Registrar’ means the officer contemplated in paragraph 11 of the Statute and section 26(4)(b) of the Higher Education Act, who shall serve as the Secretary of the Council;

‘Statute’ means the institutional statute and rules of the UFS as contemplated in section 32 of the Higher Education Act, as amended from time to time;

‘UFS’ means the University of the Free State; and

‘Working day’ means any day other than a Saturday, Sunday or Public Holiday, and when any particular number of days is prescribed for the doing of any act, the number of days must be calculated by excluding the first day and including the last day.

3. THE DISCIPLINARY COMMITTEE

- 3.1. The Council shall constitute a disciplinary committee as an official committee of the Council, which disciplinary committee shall attend to all matters of discipline, including (without limitation) non-compliance with the Code of Conduct and/or the Conflict of Interest Policy (the '**Disciplinary Committee**').
- 3.2. The Disciplinary Committee shall comprise at least THREE (3) members appointed on an *ad hoc* basis by the Council from its own ranks, which shall be comprised of the following persons:
 - 3.2.1. The chairperson of the Disciplinary Committee as appointed by the Council (the '**Committee Chairperson**').
 - 3.2.2. At least ONE (1) member shall be from the Human Resources Committee.
 - 3.2.3. At least ONE (1) member shall have a recognised South African legal degree.
- 3.3. In the event that a complaint is lodged against a member of the Disciplinary Committee, such Disciplinary Committee member may be replaced by an appropriate member of the Council.
- 3.4. In the event that a complaint is lodged against the Committee Chairperson, who was appointed as chairperson of the Disciplinary Committee in terms of paragraph 3.2.1 above, the Committee Chairperson shall temporarily be replaced by the Vice-Chairperson of the Council for purposes of conducting the Disciplinary Procedure against the Committee Chairperson.

4. SUSPENSION OF A COUNCIL MEMBER PENDING FINALISATION OF A DISCIPLINARY HEARING

- 4.1. In the event that a complaint against a member of Council has been received by the Disciplinary Committee in the manner as contemplated in paragraph 5 (*Disciplinary Procedure*) below, the Disciplinary Committee shall have the sole discretion, subject to the nature of the complaint, to consider placing such a member under precautionary suspension from Council participation and activities pending the conclusion of the investigation into the complaint and/or the finalisation of the Council member's disciplinary hearing.
- 4.2. The Disciplinary Committee may place a Council member on precautionary suspension with immediate effect upon taking into account that-
 - 4.2.1. there is a justifiable reason to believe, *prima facie*, that the Council member has engaged in serious misconduct; and/or
 - 4.2.2. there is an impending or continuing investigation into the alleged misconduct, as such, the

presence and/or involvement of the Council member on the UFS Council and/or premises may impair the integrity of the investigation and/or result in the interference of witnesses; and/or

4.2.3. any other justifiable reason.

4.3. Notwithstanding paragraph 4.2 above, the Disciplinary Committee will afford a Council member the opportunity to submit written representations within a period of THREE (3) working days from receipt of the suspension notice as to why the precautionary suspension should not remain in force and effect.

4.4. Should the Council member elect to submit his/her written representations as envisaged in paragraph 4.3, the Disciplinary Committee shall submit its written response to the Council member within FIVE (5) working days of receipt of the Council member's written representations, on whether or not the precautionary suspension shall remain in force.

4.5. Any precautionary suspension of a member of the Council from Council participation and activities as contemplated above, shall not exceed a period of THREE (3) months from the date of suspension. However, should the investigation and/or disciplinary hearing of a member of Council fail to be concluded within a period of THREE (3) months, the Disciplinary Committee may extend the precautionary suspension of such member until the hearing has been finalised. In such event, the Disciplinary Committee shall notify the relevant Council member in writing of his/her extended suspension and the duration thereof.

5. DISCIPLINARY PROCEDURE

5.1 Lodging a complaint against a member of Council

Any person, whether a fellow member of the Council or a third party, who has reason to believe that a member of the Council has committed an act of misconduct and/or violated or contravened the provisions of the Code of Conduct or the Conflict of Interest Policy, may lodge a complaint in writing with the Registrar as the Secretary of the Council, setting out the particulars of the alleged misconduct and/or contravention or violation and which complaint may include any supporting documents, if applicable.

5.1.1. The Registrar must refer the complaint to the Disciplinary Committee within FIVE (5) working days after receipt thereof.

5.1.2. The Disciplinary Committee must within 48 (FORTY-EIGHT) hours after receipt of the complaint from the Registrar, confirm in writing that it has received the complaint as well as initiate an official investigation into the veracity of the complaint through the appointment of an external third party for purposes of conducting an investigation.

- 5.1.3. The external third party (the '**Investigator**') appointed by the Disciplinary Committee to conduct the investigation into the complaint as contemplated in paragraph 5.1.3 above, shall be a fit and proper person, with appropriate skills and experience in the legal and/or the accounting profession. The appointment of an Investigator shall be dependent on the nature of the complaint(s).

5.2 The investigation into the complaint and/or alleged transgression

- 5.1.4. The Investigator must within 14 (FOURTEEN) working days after his/her appointment commence with and conclude the investigation into the complaint, which shall include without limitation, making contact and consulting with the relevant individuals that have an interest in the investigation as well as drawing up a report with his/her findings and recommendations. The report must be submitted to the Disciplinary Committee for consideration.
- 5.1.5. The Disciplinary Committee shall throughout the investigation procedure be the primary point of contact for the Investigator and shall assist the Investigator as far as reasonably possible during the course of the investigation.
- 5.1.6. The Council may at any time request the Investigator or the Disciplinary Committee to provide it with a written update on the progress of an investigation.
- 5.1.7. Should the Investigator fail to submit the report with his/her findings and recommendations to the Disciplinary Committee within 14 (FOURTEEN) working days after his/her appointment in accordance with paragraph 5.2.1 above, the Investigator shall be obliged to provide the Disciplinary Committee with justifiable written reasons as to why the investigation process should be extended by the Disciplinary Committee or shall be required to present a preliminary progress report in order to keep the Disciplinary Committee abreast of the developments. The Disciplinary Committee may approve the extension and shall inform the Council accordingly.
- 5.1.8. The report with the Investigator's findings and recommendations shall be submitted to the Disciplinary Committee for its consideration and recommendation. In turn, the report shall be escalated to the Council for consideration and approval by the Council regarding whether a disciplinary hearing should be instituted.
- 5.1.9. The Investigator's report must expressly state whether there is sufficient evidence as to the veracity of the complaint or transgression to institute a disciplinary hearing.
- 5.1.10. In the event that the Investigator's findings and recommendation indicate that there is insufficient evidence against the Council member against whom the complaint has been lodged and the Council approves such a recommendation, the case shall be considered closed. No further disciplinary action and/or investigation shall be instituted against the

Council member henceforth in relation to such complaint unless new evidence has been brought to the fore.

- 5.1.11. In the event that the Council approves the recommendation of the Investigator to institute a disciplinary hearing, the Council will instruct the Disciplinary Committee to commence with the plans and preparation for the disciplinary hearing.

5.3 Preparing for the disciplinary hearing

- 5.1.12. The Disciplinary Committee must within 48 (FORTY-EIGHT) hours after receipt of the Council's approval to proceed as contemplated in paragraph 5.2.8 above, appoint the following persons for purposes of conducting the disciplinary hearing in terms of paragraph 5.4 below:

- 5.1.12.1. An external chairperson to preside over the disciplinary hearing (**'External Chairperson'**).

- 5.1.12.1.1. The External Chairperson may be –

- 5.1.12.1.1.1. an external member of Council who is not a member of the Disciplinary Committee, the Committee Chairperson, the Chairperson of the Council of the UFS itself, or otherwise involved in the disciplinary proceedings under consideration at the disciplinary hearing over which he/she shall preside if appointed in terms of this paragraph; or

- 5.1.12.1.1.2. an independent third party with experience and/or expertise in matters relating to the disciplinary hearing in question.

- 5.1.12.1.2. The Disciplinary Committee shall appoint the External Chairperson taking into account the nature and severity of the misconduct or infringement under consideration, as well as potential conflict of interest when deciding whether to appoint an external member of Council or an independent third party to preside over the disciplinary hearing in question.

- 5.1.12.1.3. The Disciplinary Committee shall appoint the External Chairperson in terms of a written appointment letter confirming his/her appointment to preside over the applicable disciplinary hearing, subject to such External Chairperson's availability and confirmation that he/she is willing to accept such appointment.

- 5.1.12.2. An initiator (**'Initiator'**) for purposes of conducting the disciplinary hearing, which Initiator who may be a member of the Disciplinary Committee or an external party. The Initiator shall be appointed in terms of a written appointment letter confirming his/her appointment, subject to such Initiator's availability and confirmation that

he/she is willing to accept such appointment.

- 5.1.13. The Disciplinary Committee shall determine the date and time for the disciplinary hearing to take place, taking into account the availability of the External Chairperson and the Initiator appointed in terms of paragraph 5.3.1 above.
- 5.1.14. The Initiator shall within FIVE (5) working days after his/her appointment consult with the witnesses relevant to the disciplinary hearing and issue the relevant charges against the member of Council.
- 5.1.15. The Initiator shall at least within THREE (3) working days before the commencement of the disciplinary hearing, inform the member of Council in writing of the charges that is brought against such member as well as the date and time on which the disciplinary hearing is set to take place.
- 5.1.16. The member of Council against whom the charges are issued may submit written reasons to the External Chairperson for consideration and approval in the event that such a member is unable to attend the disciplinary hearing on the scheduled date and time.
- 5.1.17. The External Chairperson shall be entitled to, in his/her sole discretion and after consideration of the aforesaid reasons, direct whether the disciplinary hearing must proceed as scheduled or be postponed to an alternative date and time.

5.4 The disciplinary hearing

- 5.1.18. The disciplinary hearing must be finalised within FIVE (5) working days or within a reasonable time period, but may not be extended or postponed for more than THREE (3) separate occasions without justifiable reasons.
- 5.1.19. During the disciplinary hearing, the Initiator will place the complaint against the member of the Council on record as well as any evidence that the Investigator may have gathered during his/her investigation.
- 5.1.20. The member of the Council against whom a complaint has been lodged may be required to answer such questions as may be put to him/her by the Initiator during the disciplinary hearing.
- 5.1.21. The Initiator may call any person it may deem necessary to give evidence and provide information pertaining to the complaint on the relevant date and time of the disciplinary hearing in question.
- 5.1.22. The member of the Council against whom a complaint has been lodged shall be entitled to make an oral representation in his/her defence to the Initiator during the disciplinary hearing, which may include the calling of witnesses.

- 5.1.23. The member of the Council against whom a complaint has been lodged shall be entitled to enlist the services of a legal representative who shall be entitled to make oral and/or documentary submissions on behalf of the Council member as contemplated in paragraph 5.4.5 above.
- 5.1.24. The External Chairperson shall issue his/her written verdict within FIVE (5) working days after the conclusion of the disciplinary hearing, pursuant to which the External Chairperson shall consider written arguments in mitigation and/or aggravation of the appropriate sanction to be imposed on the Council member in question.
- 5.1.25. The External Chairperson shall take the mitigating and/or aggravating arguments into account in his/her deliberations, whereafter the External Chairperson shall within FIVE (5) working days after considering such arguments, issue the outcome and/or sanction of the disciplinary hearing and submit same to the Disciplinary Committee.
- 5.1.26. Upon receipt of the outcome and/or sanction of the disciplinary hearing by the External Chairperson, the Disciplinary Committee shall submit the outcome and/or sanction to the Council via the Executive Committee for consideration and implementation within FIVE) working days.
- 5.1.27. The External Chairperson of the disciplinary hearing shall be entitled to make any of the following recommended sanctions to the Council for approval -
 - 5.1.27.1. removal from the Council; and/or
 - 5.1.27.2. caution and reprimand of the member of Council; and/or
 - 5.1.27.3. punitive suspension of the Council member for a specified period; and/or
 - 5.1.27.4. withholding of any honorarium or student benefits that a member of the Council and/or his/her immediate family members are entitled to; and/or
 - 5.1.27.5. reporting to the body which nominated or appointed the member and request replacement of such a member on the Council; and/or
 - 5.1.27.6. any other appropriate sanction as the above should not be deemed as exhaustive.
- 5.1.28. In the event that the finding and recommendations of the External Chairperson of the disciplinary hearing is approved by the Council, the Council shall take the appropriate steps against the Council member concerned and inform the Council member via the Disciplinary Committee of the finding(s) and the recommendations.
- 5.1.29. The decision of the Council as contemplated in paragraph 5.4.11 above shall be final.

- 6.1. The Disciplinary Committee shall within its sole discretion, be entitled to direct that the investigation procedure as contemplated in paragraph 5.2 (*Disciplinary Procedure*) above, be stayed and that the disciplinary hearing commences immediately after receipt of a complaint by the Disciplinary Committee.
- 6.2. A disciplinary hearing may be expedited as contemplated herein, in the event that the Disciplinary Committee is of the opinion that an investigation into the complaint is superfluous due to the fact that sufficient evidence has been placed before it to commence with the disciplinary hearing in question.

7. EMPLOYEES AND/OR STUDENTS OF THE UFS SERVING AS MEMBERS OF COUNCIL

The UFS, subject to the nature of the transgression committed by a member of the Council who is an employee and/or student of the UFS, shall be entitled to elect to institute standard disciplinary procedures applicable to employees and students of the UFS, in tandem with the Disciplinary Procedure set out herein, in the event of misconduct.



REGISTRAR

This Disciplinary Procedure document was approved by the Council on 19 June 2020.



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